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Hassan Portrays Bush as Avowed Friend of Arabs

By Youssef M. Ibrahim
New York Times Service

PARIS — King Hassan II of Morocco, assisted in a widely broadcast Arab television interview, said President George Bush would not for a long time find a friendlier U.S. leader than himself.

King Hassan quoted Mr. Bush as having said to him during a private meeting in New York in January, when the Moroccan king visited the United States:

"My friend, you Arab brothers, especially the Palestinians, are my friend and my government and my administration, and for a long time to come, they shall not find support such as the support I am giving now and will continue to give in the future, even though I am in an election period."

The Moroccan king also strongly urged Libya's leader, Colonel Muammar Gaddafi, to "accept" two Libyans and turn them over to the United States or Britain for trial over their suspected responsibility in the bombing and crash of Pan Am Flight 103 in Lockerbie, Scotland.

Asserting that the Libyan people will be deeply hurt by further sanctions if the impasse between the United Nations and Libya continues over the



WAITING FOR DINARS — Citizens of besieged Sarajevo formed an uncertainty line Tuesday in front of a bank during a lull in the shooting. A maternity hospital was hit as shooting resumed Tuesday evening, and opposing forces agreed to reopen Sarajevo airport for humanitarian purposes.

Serbia, Facing Sanctions, Offers Cooperation

By Paul Lewis
New York Times Service

UNITED NATIONS, New York — In an 11-hour bid to head off mandatory Security Council sanctions, the leadership of the rump Serbian nationalist government in Belgrade offered Tuesday to work with the United Nations to end the fighting and oppression in Bosnia-Herzegovina and seek to speed up the flow of emergency relief supplies to the population there.

It also asked the Security Council to send a delegation to visit Belgrade and Bosnia-Herzegovina in order to assess the situation there and avoid what it terms "judgments based on assumptions rather than established facts."

[The European Community will seek a trade ban on Serbia, either acting alone or through the Security Council, diplomats said Tuesday in Brussels, Reuters reported. No further details were available.]

Belgrade's offer to help end to the fighting came in a letter sent to the UN secretary-general, Boutros Boutros Ghali, just as Security Council members began drafting a new resolution that would impose a series of graduated restrictions on Serbia and Montenegro for encouraging the fighting in Bosnia-Herzegovina. The council hopes to vote on the resolution late this week.

It is unclear what effect, if any, the Yugoslav offer will have on the drive for sanctions. But while the United States and Britain have appeared firmly in favor of punitive action against Belgrade — with support from the Islamic world, which feels Bosnia's Muslims are suffering at the hands of the Serbs — France, Russia and China have been more hesitant as has Zimbabwe, one of the council's nonaligned members.

The Russian foreign minister, Andrei Kozyrev, is on a peace mission to the Balkans, and some diplomats think his assessment of the sincerity of Belgrade's apparent change of heart could have an influence on members' approach to sanctions.

Initial reports from the region suggested that Mr. Kozyrev was making progress. Speaking on Bosnia-Herzegovina state television after talks in Sarajevo, Mr. Kozyrev said rival Serb and Croat-Muslim forces had agreed to a new cease-fire. The forces also agreed to reopen Sarajevo's airport on Wednesday so that emergency supplies of food and medicine could be flown in for residents of the besieged Bosnian capital who are threatened by starvation and disease.

Council members have been discussing a series of graduated measures designed to slowly increase the pressure on Belgrade to cooperate with UN and other peace efforts.

The idea was to start with a civil air transport embargo, followed possibly by suspension of oil deliveries, the expulsion of Yugoslav government from all international organizations and the freezing of its foreign assets. A full trade embargo would be held in reserve as a final threat.

In Lisbon last weekend, Secretary of State James A. Baker 3d called for sanctions against the Belgrade government, accusing it of not trying to stop the fighting. The United States has also said it does not regard that government as the legal successor of the defunct Yugoslav Federation and that it must reply for UN membership.

See SANCTIONS, Page 2

Russian Court Opens Trial of Political Corpse — Communist Party

By Michael Dobbs
Washington Post Service

MOSCOW — The defunct Soviet Communist Party, whose seven decades of virtually unchallenged power made it the most durable totalitarian machine of the 20th century, went on trial here Tuesday.

The new Constitutional Court of Russia ruled that it had the authority to hear charges that the party, which once had as many as 18 million members, had violated the country's Constitution by functioning as a state within a state.

The court will also consider a complaint by former Communist officials that President Boris N. Yeltsin of Russia acted illegally when he abolished the party after Communist hard-liners tried to seize power in August.

At its opening session, the court decided to invite Mikhail S. Gorbachev, the former party leader, to testify.

Russia, Ukraine split Black Sea Fleet. Page 2.

Although attorneys for Mr. Yeltsin compared the court case to the postwar Nuremberg trials of Nazi leaders, the hearings are significantly different. It is the party, rather than its leaders, that must answer for its activities.

A senior Yeltsin aide, Genadi Burbulis, said at a news conference that he did not exclude the possibility of trials for former Communist leaders if the court ruled that the party had behaved in an illegal and unconstitutional manner.

Several former party leaders face treason charges in connection with the coup in August.

Some former Communist leaders, including Yegor K. Ligachev, the longtime ideologist, and a former deputy leader, Vladimir Ivashko, were present in the crowded courtroom at the beginning of the proceedings.

A Gorbachev spokesman, Georgi Shkna-zarov, described the invitation to the former president to testify on behalf of the party as "senseless" since he had resigned as its leader.

Much of the party's vast property holdings — including its Moscow headquarters, lavish offices in every town and city, printing presses, vacation homes and fleets of vehicles — now belongs to the Russian government.

In theory, all this would have to be returned if the Constitutional Court decided that President Yeltsin's ban on the party was illegal.

To preempt such a decision, the president's supporters are doing all they can to depict the party as a criminal organization. On Monday, a senior Yeltsin aide, Sergei Shakhrai, read extracts from a previously top-secret document showing that the party had ordered that weapons be supplied to Palestinian terrorists in the mid-1970s for attacks on American and Israeli diplomatic officials.

Paris-Washington Chill Reflects Wider Split on Alliance's Future

By William Drozdiak
Washington Post Service

PARIS — Growing hostility between France and the United States over trade, security and political cooperation is jeopardizing efforts to find a future consensus for the Atlantic partnership and strengthening a new sense of rivalry among the allies, according to European and American diplomats.

The continuing impasse in global trade negotiations and tensions over how to build a new European security structure reflect a new era of distrust between Paris and Washington. But diplomats say the policy clashes mask a more fundamental conflict over the evolution of the Atlantic relationship that bodes ill for the future.

The French president, François Mitterrand,

Walesa Seeks A New Cabinet

WARSAW (Reuters) — President Lech Walesa said Tuesday that he had lost confidence in the government of Prime Minister Jan Olszewski, and he asked the Polish parliament to create a new cabinet.

Ending weeks of pressure on Mr. Olszewski's minority cabinet to resign, Mr. Walesa sent a letter to the speaker of the Sejm, the lower house, saying he had withdrawn his support for the government because it was destabilizing state structures.

"I lost confidence in the government and this forces me to withdraw my support for it. I propose that solutions aimed at creating a new cabinet are undertaken," Mr. Walesa wrote.

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Biotech food, prepared with care, gets FDA approval for American tables. Page 3.
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Balancing the U.S. budget would require vast changes. Page 9.
Barbara Franklin makes the case for freer trade. Page 14.

Call It the Taxpayer's Cup Yacht Race Winner Got a Hefty Break

By David S. Hiltz and Angus Phillips
Washington Post Service

For the victorious America's Cup skipper, William I. Koch, one of the wealthiest men in the United States, the quest for yachting's premier title held a variety of rewards. There was the thrill, the glory and the 141-year-old silver trophy.

And then there were the tax benefits.

No one in yachting circles has suggested that Mr. Koch was more interested in tax savings than in the sailing competition itself.

But Mr. Koch, whose personal fortune is estimated at \$650 million, became eligible for millions of dollars of federal income tax deductions by obtaining tax-exempt status for his America's Cup racing syndicate, the America Foundation, and then contributing heavily to it.

In effect, U.S. taxpayers subsidized Mr. Koch's triumph over the Italian challenger, May 16 off San Diego, because the money sheltered from taxes would be lost to the U.S. Treasury.

Mr. Koch said in an interview that the \$10 million he contributed out of his personal funds could save him "a couple million bucks" on his taxes. He said that he received the "blessing" of the Internal Revenue Service after telling it what he was going to do with the America Foundation, of which he is president.

"I didn't do it by trying to sneak around," he said.

The use of a tax-exempt foundation is not new to the America's Cup. Past competitors have raised funds through nonprofit groups, and Dennis Conner, whom Mr. Koch defeated for the right to defend the cup, is seeking tax-exempt status for one of the organizations involved in his syndicate.

What is unusual, racing experts said, is the size of the tax benefits that Mr. Koch could derive from large contributions he made.

The arrangement has caused considerable chatter in the yachting world.

A sailor and writer from New England, for example, confronted Mr. Koch at a news conference in April. "I really would like to ask Mr. Koch if I can make my boat in



QUEEN AND COLONEL — Queen Elizabeth II with officers of the Grenadier Guards regiment. As colonel in chief, she took the salute on Tuesday during the presentation of colors.

Manned Flight By Europeans Is Delayed Until 2005

Germany's Slash in Aid Is Blow to Joint Project, And Perhaps to Others

By Joseph Fitchett
International Herald Tribune

PARIS — Crippled by Germany's need to concentrate spending on national reunification, Europe's major space program announced Tuesday that the manned shuttle Hermes would not be launched until 2005 — and perhaps over.

Although anticipated in the aerospace industry, the public admission that Hermes might be beyond Europe's financial reach at this juncture was a blow to hopes, particularly in France, that Germany could continue to pour investments into prestigious pan-European ventures.

As a symbol of the budget crunch in Europe, the Hermes setback is a ripple effect on wider European ambitions. The growing unaffordability of an independent program in space — just as in other sectors of science or defense — might improve prospects for trans-Atlantic cooperation on major programs, according to European and American officials.

Spurred in the projected cutbacks is a European minilab to be carried by a U.S. shuttle to an orbiting space station, Freedom. Also unaffected are Europe's unmanned satellites and Ariane launchings.

Explaining the new postponement of Hermes, an official of the European Space Agency said at a Paris news conference: "If it goes ahead, it will be after the year 2005, quite possibly with foreign cooperation with the Americans, Russians or Japanese."

In practice, the Europeans, chiefly France and Germany, are under pressure to decide sometime this summer whether to pursue the Hermes program, at an estimated cost of \$1 billion a day, or turn to the scaled-down alternative of an unmanned space vehicle, known as the Hermes Demonstrator.

Of the main sponsors, France has by far the most prestige riding on success in the project, because Paris governments have pressed over the years for the French space program to be expanded into an autonomous European capability.

But Germany, the European Space Agency's main backer, has been reluctant to meet the rising costs of a European bid to put people into space. The idea has also been losing support in Italy and Spain, the other main contributors to the agency's annual budget of about \$3 billion — roughly one-third of funding levels at the National Aeronautics and Space Administration.

Hopes of lowering the cost of the Hermes program by getting help from Moscow have proved disappointing.

Germany has been active in a campaign in recent months to find ways to tap into the former Soviet, now Russian, space technology. But Russian industry, a specialist said, "wants to sell technology, not cooperate with Europe in the sense that we understand cooperation in the West."

Industrialists' calculations suggest that sharing a significant amount of the Hermes work with Russia would offer only marginal financial savings. The benefits would be far outweighed by the risks of dependency on a supplier beset by political uncertainties.

Japan, apparently intent on going into space on its own, has rebuffed European overtures.

The successive slips in Hermes, which was scheduled at its inception in 1987 to be in space within a decade, might induce participants to shelve their main space programs until the financial climate improves.

"We must now work on a five-year plan that can be altered to take into account international

Ross Perot As Lean, Mean Media Machine

By Michael Kelly
WASHINGTON — When Ross Perot talks of himself and his current position, he likes to conjure a picture of "a happy accident," an innocent abroad in the wilds and wiles of media land. "I don't have a handle," he says with pride. "I don't have anyone who tells me what kind of suit to wear, what kind of tie to wear. I don't have any powder on my face."

He boasts of his unsuitability for television politics, poking fun at his Texas country-boy

NEWS ANALYSIS

accent, his big, beaten nose, the great jug ears that frame his face like caricatured quotation marks. He usually ends his litany of likable flaws with the same shrugging summary, "What you see" is, says, "is what you get."

This is true, but it is also true that what you see of Mr. Perot is by his own careful design. He is a master salesman, and for 25 years, he has done much of his selling — of causes, business ventures, ultimately of himself — through the press. The history of his dealings suggests that Mr. Perot understands the ways of news organizations considerably better than they understand the ways of Mr. Perot.

A natural charmer and gifted talker, he has, over the years, spun from the rich ore of his extraordinary life a great and golden public Perot — the fastest-made, richest Texan ever, the corporate king who lives like a commoner, the world's only billionaire-hero.

He has proved equally adept at the darker side of public relations, quick to strike at opponents with the kind of pointed put-downs and

| Dow Jones | | The Dollar | |
|-------------|-------|-------------|--------|
| in New York | | in New York | |
| 3,364.21 | ↑ | Doll | 1.6128 |
| Down | 22.56 | Pound | 1.8225 |
| | | Yen | 128.50 |
| | | FF | 5.422 |

PEOPLE

Wanted: A Real Kid To Be a Movie Menace

SEARCHING FOR A "TWO-FACE" — The search for a "two-faced" actor for the new movie "The Sandlot" is under way. The producers are looking for a kid who can play both good and evil. The search is expected to be completed by the end of the year.

FRIDAY MERCURY — The Friday Mercury is a weekly publication that provides information on local events, sports, and community news. It is available to subscribers for a small fee.

INTERNATIONAL EDUCATION DIRECTORY

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INTERNATIONAL EDUCATION DIRECTORY

Russia and Ukraine Agree to Split Fleet

Compiled by Our Staff From Dispatches
MOSCOW — The Black Sea Fleet of the former Soviet Union is to be removed from joint control of the Commonwealth of Independent States and divided between Ukraine and Russia, the top military commander said Tuesday.

Marshal Yevgeni I. Shaposhnikov, commander in chief of the Commonwealth armed forces, said talks between Russia and Ukraine would determine how to divide the fleet.

Marshal Shaposhnikov said the last nuclear weapons carried aboard the fleet's 380 ships had been removed earlier this month in an overnight convoy.

Russia had originally said the fleet should stay under Commonwealth control and form part of a joint strategic force, but Ukraine disagreed. It said it was entitled to large portions of the fleet, which is based mainly in the Crimean port of Sevastopol.

Disputes between Russia and Ukraine over dividing the former Soviet military machine, including the Black Sea Fleet, have rocked the Commonwealth since its formation in December.

Asked if the Black Sea Fleet remained part of the joint strategic forces after Tuesday's meeting of the Commonwealth defense chiefs, Marshal Shaposhnikov said: "No, it did not."

The Ukrainian deputy defense minister, Lieutenant General Ivan Bizhan, said after the news conference that in addition to the Black Sea Fleet, paratroop forces and most of the former Soviet Air Force had also been excluded from the strategic force.

He said the decisions corresponded to an earlier Ukrainian proposal to have a slimmer strategic force.

The moves leave the strategic nuclear troops and nuclear-carrying detachments of the air force and the navy as the only effective joint Commonwealth force.

"The strategic forces will include strategic missiles, nuclear weapons held by air forces, nuclear weapons in the navy, anti-ballistic missiles," and some space-related weapons, said Marshal Shaposhnikov, who is emerging as a peacemaker among the sometimes argumentative defense ministers.

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SHOOT AND HIDE — An Azerbaijani militiaman leaping from cover Tuesday to fire a burst from his AK-47 assault rifle at Armenian irregulars near the village of Shekli in the Agdam region. The informal strategy in the conflict is to leap out, fire and duck, taking turns.

Yeltsin Says a 2d Term Is Not at All Certain

Washington Post Service
MOSCOW — President Boris N. Yeltsin said Tuesday that despite the difficulty of pushing through his free-market economic plans, he had no intention of stepping down before his term expires in 1996.

But he also raised the possibility that he may not run for a second term.

"I will not step down no matter how hard it may be. I will not retreat," he told residents of the southwestern Siberian town of Barnaul, according to Tass. But he said Mr. Yeltsin "added that he is not making a claim to a future term."

It was not entirely clear what Mr. Yeltsin had in mind with his offhand remark during a three-day swing to gauge the effect of his economic policies on the countryside. Tass did not provide a direct quote on the matter, and the nightly news programs made no reference to it.

Mr. Yeltsin, who will be 65 when the next election is due, was elected to his five-year term in 1991, the first democratically elected president of Russia in history. He remains a popular leader despite the drastic economic reforms he has put into effect. His high standing among the public, born of his rejection of the Communist system and his willingness to defy the hard-liners in the August coup attempt, has been an important factor behind the relatively peaceful manner in which price rises and other changes have been accepted.

SANCTIONS: Serbs Ease Stand

(Continued from page 1)

This would allow Washington to veto Belgrade's readmission, thus denying it international legitimacy.

Yugoslav diplomats here described their government's offer as a new development which the council must take into account in its deliberations, and said they hoped the letter would slow the drive to impose sanctions.

In the letter, Yugoslavia's vice president, Branko Kostic, said the Yugoslav National Army had been fully withdrawn from Bosnia-Herzegovina and called for the independent republic to resolve its internal problems through a negotiation between its principal ethnic groups, as the European Community has proposed.

Sanctions against Serbia and Montenegro, he said, would "spark off very serious problems for the citizens of the Federal Republic of Yugoslavia without any reason or justification." A solution to the crisis in Bosnia-Herzegovina "must be sought in Sarajevo, not Belgrade," he said.

Serbia and Montenegro, he said, "will wholeheartedly support any action conducive to a settlement in the crisis."

More specifically, Mr. Kostic said his government was ready to cooperate fully with all decisions of the Security Council, which has called for a cease fire in Bosnia-Herzegovina.

China Releases 3 Jailed As Democracy Activists

The Associated Press
HONG KONG — China has released three political activists who were imprisoned for supporting the 1989 democracy movement, Hong Kong news reports said Tuesday.

Radin Hong Kong reported that Peng Rong, 24, a university student, and two Hong Kong residents, Li Hong-ching and Lai Pui-wing, were freed Tuesday. News reports said Mr. Li and Mr. Lai were freed for health reasons.

SPACE: A Flight Delay

(Continued from page 1)

al changes and economic and political circumstances," the space agency director-general, Jean-Marie Luton, said at the news conference.

But there are strong pressures from lawmakers, not only in Germany but also in France, for the Hermes program to be reconsidered ahead of a ministerial meeting of the space agency in November.

Over the coming weeks, a specialist said, Europe's space planners "are going to have to face up to the reality that it is impossible to proceed with the full-blown Hermes program within the present budgetary envelope."

The outlook for any moves toward future U.S.-European cooperation in civilian space — a sector of trans-Atlantic rivalry — is unlikely to become clear for months, partly because NASA is in the throes of a shake-up and policy review.

As a gesture of European willingness to pursue agreements on international cooperation with Washington, the space agency decision to maintain the planned mission for Freedom was welcomed by U.S. officials.

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Kosovo: Next Stop in Yugoslav War?

By John F. Burns
New York Times Service
PRISTINA, Yugoslavia — For nearly 12 months, war has been moving inexorably southward across what was once Yugoslavia, getting deadlier by turns as it has leapt from Slovenia to Croatia to Bosnia-Herzegovina.

Now, as the United States prepares to lead a drive at the United Nations for mandatory economic sanctions against Serbia, which has been widely judged to be the main aggressor in the fighting, the fears of many in the Balkans are focusing on what could become the next battleground. It is called Kosovo, and what has happened here since Sunday has offered little hope that the worst of the killing is past.

The province of Kosovo is administered by Serbia, which cherishes these rolling hills as the heartland of the Serbs' mythology about themselves as the Christian defenders of Europe against Islam. But the residents of the region have voted by a crushing majority to secede from Serbia and Yugoslavia as part of a long-term plan to become part of Albania, which is overwhelmingly Muslim.

The vote took place no Sunday, in the face of widespread Serbian police harassment and a brooding Yugoslav Army presence. The balloting involved only ethnic Albanians, who account for 90 percent of the 2.1 million residents of Kosovo, and was deemed illegal by the Belgrade government and by the Serbian officials who, under the state of emergency declared two years ago, control all aspects of Kosovo's government.

Vowing to keep Kosovo part of Serbia "forever" on behalf of Serbian legends and the fewer than 200,000 Serbs who live here, Serbia has pledged force to prevent any attempt at secession.

Preliminary tallies indicated that close to a million voters had cast ballots for the so far imaginary post of president of Kosovo, effectively approving the secession that was almost the only election issue. The reaction among local Serbs was the same explosive compound of anger, resentment, and threats that burst forth when Croatia, Slovenia, and then Bosnia-Herzegovina voted for independence.

"Serbia and Montenegro are ready to go to any lengths to defend their sovereignty, starting here," said Dragan Jovanovic, a 28-year-old mechanic taking a lunch break in a restaurant in Kosovo Polje, the site of the Serbs' defeat by the Turks in the Battle of Kosovo in 1389.

A few kilometers away, in cramped offices behind the soccer stadium in Pristina, Kosovo's capital, ethnic Albanian officials were completing the election tally. With an excitement and pride that had some of them on the verge of tears, they said that more than 90 percent of the registered voters had cast ballots and that 95 percent of them voted for Ibrahim Rugova, a 47-year-old lecturer on modern literature who became the sole presidential candidate when others judged the job too dangerous to seek.

Kosovo's ethnic Albanians, after



The New York Times

sporadic incidents that Serbian officials branded as "terrorism" in the 1980s, have been stripped of most of their firearms.

To deter the Serbs, the Albanians have only their numbers and the restive armed forces of Albania, across high mountains about 100 kilometers (60 miles) by road southwest of here. Albania, which recently rid itself of a Communist government, is Europe's poorest country, so weakened that many live by emergency food aid, banditry, and begging.

Nonetheless, few would rule out violence here that could spiral out of control. Fears of such a conflict, the sort of thing that only archaic Napoleons considered seriously a few months ago, are now being weighed in the chancelleries of Western Europe, where two Balkan wars 80 years ago, centering on what became southern Yugoslavia, were preliminaries to World War I.

It was some time ago, it might involve Serbia and Albania directly, and possibly Bulgaria, Greece, and Turkey. They are regional powers that might take sides and scrap for territorial spoils, especially in Macedonia, another breakaway Yugoslav republic between Kosovo and Greece that has its own restive Albanian minority.

The United States, moving rapidly in recent days to increase pressure on Serbia to halt the warfare in Bosnia-Herzegovina, has said that it would press in the United Nations Security Council this week for sanctions against Serbia, probably including a ban on civilian air links and an oil embargo. But there are doubts about how far Russia and France, permanent council members that have historic links with Serbia, are prepared to go in isolating the Belgrade government.

In any case, Slobodan Milosevic, the 50-year-old former Communist official who is Serbia's president, has consistently defied efforts to pressure him into abandoning what he has called his duty to "defend" Serbian minorities, like the one whose heavily armed militias have seized two-thirds of Bosnia-Herzegovina.

This pattern is still more likely to be the case with Kosovo, since Mr. Milosevic's political transformation into a powerful nationalist figure began in Kosovo in 1987 with a speech in which he vowed that no force would ever again be allowed to "beat the Serbs."

Gordana Milosevic, a 45-year-old Serbian lawyer, put the matter squarely. "As always, Serbia is Europe's defensive wall, defending Europe against Islamic influence," he said.

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NATO: Paris-Washington Chill Reflects a Wider Split on Alliance Future

(Continued from page 1)

cerns toward the Americans," a French official said, "only we have the courage to tell you about them."

Last week, Mr. Kohl and Mr. Mitterrand declared their plan for a 35,000-man joint army corps was designed to complement, and not compete with, the North Atlantic Treaty Organization by building up Europe's military contribution. But the real purpose of the so-called Euro-corps, German and French officials acknowledge, is to accelerate preparations for a day when nearly all American troops are withdrawn from the continent.

The Bush administration, as well as the governments of Britain and the Netherlands, have warned that the French-German initiative could duplicate some of NATO's purposes and ultimately hasten an American pullout by eroding public faith in U.S. leadership of the alliance's integrated military command.

The protracted deadlock in the talks on a General Agreement on Tariffs and Trade, as the United States and the European Community struggle to find a compromise over farm subsidies, has demonstrated the bitter economic rivalry that is evolving between the trans-Atlantic partners now that the unifying force of a Soviet military threat has vanished.

In a recent interview, Foreign Minister Gianni De Michelis of Italy expressed anxiety that the twin pressures of hammering out a trade compromise while revamping the trans-Atlantic security relationship could permanently damage the alliance.

"We need to be very careful in preserving the alliance framework, because we are entering a period when economic conflict could last for several years and we will need some kind of basis to sustain the old partnership," he said.

In the case of France and the United States

think you can dictate policy to your allies and make them obey," said a senior aide to Mr. Mitterrand. "But Bush and Baker should realize that a true friend should be able to say no."

More Criticism of Corps

The United States and Britain on Tuesday stepped up their criticism of the French-German plan for an army corps, saying the project was unclear and suggesting it should be changed to avoid undermining NATO, Reuters reported from Brussels.

Alliance ministers, meeting in Brussels, approved changes in their post-Cold War military structure and discussed the possibility of making NATO forces available for peacekeeping in Eastern Europe and other troubled regions.

They spent much of their first session of the two-day meeting debating the French-German plan to set up the joint 35,000-strong corps.

"A number of questions indicated there were still a lot of unanswered questions," said Malcolm Rifkind, the British defense secretary. "There is at best an ambiguity, if not a silence, on those details."

A senior U.S. military official said the concerns were shared by many NATO countries, despite attempts by German military officials to explain how the proposed corps would link up with NATO.

"I don't think all of the concerns were erased," the U.S. official said.

Other officials said the French had not given concrete assurances that forces assigned to the corps would be put at NATO's disposal if alliance territory were attacked.

Defense Minister Virginia Rognoni of Italy said his country would not be joining, despite earlier expressing interest in the corps. He said Italy would instead put forces at the disposal of the Western European Union, in line with a British proposal.

Philip Habib, 72, U.S. Diplomat, Dies

The Associated Press
PARIS — Philip C. Habib, 72, a former U.S. undersecretary of state who played an important role in major American foreign policy initiatives from the Middle East to Vietnam, died Monday, the U.S. Embassy said Tuesday.

Mr. Habib died of a heart attack during a private visit to Burgundy, in the town of Puligny-Montrachet in the Côte d'Or region.

He spent three decades in the diplomatic corps and was last in the public eye when President Ronald Reagan called him out of retirement in 1981 to be special envoy to try quell the Lebanese civil war.

In Mr. Reagan's second term, Mr. Habib served as special envoy to the Philippines and Central America. He resigned the latter post in August 1987.

In 1977, President Jimmy Carter asked him to help arrange the meet-

ings between President Anwar Sadat of Egypt and Prime Minister Menahem Begin of Israel that led to the Camp David peace accords.

He first came to the attention of the public in 1969 as acting head of the U.S. delegation to the Paris talks that eventually led to the end of U.S. involvement in Vietnam.

Born in New York City, the son of a grocer of Lebanese descent, he began his foreign service career as third secretary at the U.S. Embassy in Canada. He later served in New Zealand, Seoul and Saigon, where he was named political counselor to Ambassador Henry Cabot Lodge as the Vietnam War escalated.

He eventually was recognized as the State Department's most knowledgeable specialist on South-east Asia, handling negotiations in the Paris talks on Vietnam, working as ambassador to South Korea and other assignments.

He was appointed undersecretary of state for political affairs, the No. 3 post at the department, in 1976, shifting his attention from Asia to the Middle East.

Edmund W. Stevens, 81, Veteran Moscow Reporter

MOSCOW (AP) — Edmund W. Stevens, 81, the award-winning dean of the Moscow press corps who covered the Soviet Union for half a century, died Sunday after a stroke.

Mr. Stevens worked for a variety of British and American publications starting in the late 1930s, when Stalin was dictator.

He won the Pulitzer Prize for international reporting in 1950 for "Russia Unmuzzled," a series on life under Stalin he wrote as correspondent for the Christian Science Monitor.

He also was cited for excellence in reporting by the Overseas Press Club in 1956 and '58 and won the George Polk Memorial Award in 1958.

Victor V. Grishin, 77, Gorbachev's Former Rival

MOSCOW (Reuters) — Viktor V. Grishin, 77, the Communist chief in Moscow who lost the Kremlin succession to Mikhail S. Gorbachev in 1985, died Monday, Moskovskaya Pravda reported Tuesday.

The paper said he collapsed during a visit to a social security office to discuss his pension.

When he was dropped from the top rank of Soviet party at the end of 1985, he was the longest-serving member of the Politburo and had served as Moscow Communist secretary for 18 years.

WORLD BRIEFS

Baker, in Thilisi, Links Aid to Rights

THILISI, Georgia (AP) — Secretary of State James A. Baker 3d offering limited economic aid to Georgia on Tuesday, said a human rights package would depend on free elections and respect for minority rights.

Speaking during Independence Day celebrations in the small Caucasian nation, a former Soviet republic, Mr. Baker went out of his way to commend Edward A. Shevardnadze, the Georgian chief of state and former Soviet foreign minister, during a series of joint news conferences. He also visited Georgia's most historic church.

Mr. Shevardnadze, head of the elected governing council, welcomed the U.S. support. "Mr. Baker's visit is an important stage in Georgia's development in a democratic way," he said.

UN Tells Khmer Rouge to Cooperate

PHNOM PENH (AFP) — The United Nations chief official in Cambodia, Yasuaki Akashi, accused the Khmer Rouge on Tuesday of blocking the peace process and warned them against using military force.

"The Khmer Rouge has so far failed to take steps which must be taken if the agreement is to be carried out," Mr. Akashi, who heads the UN Transitional Authority in Cambodia, said after a meeting of Cambodia's Supreme National Council, which groups the four main factions.

Israel Steps Up Air Raids in Lebanon

BEIRUT (Reuters) — Israeli warplanes hit suspected pro-Lebanese guerrilla bases in southern Lebanon in a series of strikes on Tuesday, wounding four militants and a civilian, security sources said.

Witnesses said four planes swooped in on Hizbollah positions at least 10 times, firing 40 rockets. The strikes, the third wave of Israeli attacks into Lebanon in less than a week, were carried out just north of the so-called security zone Israel set up to prevent guerrilla raids across its northern border.

The stepped-up air war provoked fears of conflict between Israel and Syria, the main power broker in Lebanon. On Tuesday Defense Minister Moshe Arens of Israel said he accepted remarks of Foreign Minister Francis Sraha on Monday that Damascus did not seek confrontation. "We had wars in the past with Syria and Syria was the aggressor, so if they have plans for going to war, and I don't believe they do, there is no risk of war at all," Mr. Arens said.

Swiss Give France Bakhtiar Suspect

PARIS (Reuters) — An Iranian wanted in the murder of former Prime Minister Shapur Bakhtiar of Iran in August was extradited to France on Tuesday. He was detained and charged with complicity in the slaying of Mr. Bakhtiar and his secretary, journalist Saeed.

Switzerland handed over Zopaf Aloudin Sarkis, 25, at the Basel-Mulhouse border airport, and France's top anti-terrorism judge, Jean-Louis Bruguière, ordered him immediately into police custody.

The extradition provoked a protest from the Iranian Foreign Ministry, which summoned the French and Swiss ambassadors and demanded the release of the suspect. French authorities are holding three others in the case, all Iranians, including one extradited earlier by Switzerland.

Kim Dae Jung in Seoul Race 3d Time

SEOUL (AP) — Kim Dae Jung, leader of the largest opposition party, the Democratic Party, was nominated for president Tuesday and pledged to bolster South Korea's economy to one of the eight largest in the world.

Mr. Kim, 67, who has run for president twice, is the third candidate to enter the presidential contest. The other two are Kim Young-Sam of the governing Democratic Liberal Party and the billionaire Chung In Yong, founder of South Korea's second-largest conglomerate, Hyundai.

Voting is expected in December for a successor to President Roh Tae Woo, whose five-year term ends in February 1993. South Korea has been him from another term.

TRAVEL UPDATE

Tokyo and Osaka Top Expense List

GENEVA (AP) — For tourists, the Japanese cities of Tokyo and Osaka remain by the most expensive cities in dollar terms, according to a survey published Tuesday.

With New York as a base of 100, Tokyo had an index of 174 and Osaka 162. The Libyan capital, Tripoli, followed, with 146. Harare, Zimbabwe, was the cheapest city for expenditures, with a rate of 52.

The survey, of 98 cities, is published twice a year by Corporate Resources Group in Geneva. It is based on 157 products including food, clothing and transport, but not accommodation. The cost of living in most West European countries was higher than in the United States, although East European ones remained good value, it said. London was ranked 15th, at 119; Rome and Paris tied for 23d place, at 113 each.

Quotas Always plans to install videoplay players (on all first- and business-class passengers on long-haul flights). The carrier plans to fit in fleet with almost 1,900 video players supplied by the Japanese manufacturer Matsushita Avionics Systems.

A partial strike by Belgian rail workers will halt international trains for 24 hours from 10 P.M. on Tuesday, the state railroad said.

Britain is dropping visa requirements for Poles wishing to visit Britain, an issue that had clouded relations between the countries. Poland is also to drop its visa requirements on Britons.

Stockholm has voted to keep the city's second airport, Bromma. This clears the way for international flights to resume there next week after more than 30 years, officials said Tuesday. Bromma, six kilometers (about 4 miles) from the city, has been used mainly for private aviation. Alandja airport, 40 kilometers (about 25 miles) outside Stockholm, is the primary commercial airport.

The Weather

Forecast for Thursday through Saturday

| Area | Today | Tomorrow | Day After |
|----------------------|---|---|---|
| North America | Partly cloudy with some rain in the north. A shower in the south. | Partly cloudy with some rain in the north. A shower in the south. | Partly cloudy with some rain in the north. A shower in the south. |
| Europe | Dry and warm weather with some rain in the north. A shower in the south. | Dry and warm weather with some rain in the north. A shower in the south. | Dry and warm weather with some rain in the north. A shower in the south. |
| Asia | Tokyo will be cool and wet. Singapore will be hot and wet. Bangkok will be hot and wet. | Tokyo will be cool and wet. Singapore will be hot and wet. Bangkok will be hot and wet. | Tokyo will be cool and wet. Singapore will be hot and wet. Bangkok will be hot and wet. |

World Cities

| City | High | Low | City | High | Low |
|--------------|-------|-------|-------------|-------|-------|
| Algeria | 24/25 | 14/15 | London | 12/13 | 8/9 |
| Amsterdam | 24/25 | 14/15 | Los Angeles | 24/25 | 14/15 |
| Ankara | 24/25 | 14/15 | Manila | 24/25 | 14/15 |
| Antwerp | 24/25 | 14/15 | Medan | 24/25 | 14/15 |
| Baghdad | 24/25 | 14/15 | Moscow | 24/25 | 14/15 |
| Bangkok | 24/25 | 14/15 | Nairobi | 24/25 | 14/15 |
| Barcelona | 24/25 | 14/15 | Paris | 24/25 | 14/15 |
| Berlin | 24/25 | 14/15 | Rangoon | 24/25 | 14/15 |
| Bombay | 24/25 | 14/15 | Rome | 24/25 | 14/15 |
| Buenos Aires | 24/25 | 14/15 | Sao Paulo | 24/25 | 14/15 |
| Calcutta | 24/25 | 14/15 | Seoul | 24/25 | 14/15 |
| Cairo | 24/25 | 14/15 | Shanghai | 24/25 | 14/15 |
| Canton | 24/25 | 14/15 | Singapore | 24/25 | 14/15 |
| Cebu | 24/25 | 14/15 | Taipei | 24/25 | 14/15 |
| Colombo | 24/25 | 14/15 | Tehran | 24/25 | 14/15 |
| Dacca | 24/25 | 14/15 | Tokyo | 24/25 | 14/15 |
| Damascus | 24/25 | 14/15 | | | |
| Dhaka | 24/25 | 14/15 | | | |
| Dublin | 24/25 | 14/15 | | | |
| Hankow | 24/25 | 14/15 | | | |
| Hong Kong | 24/25 | 14/15 | | | |
| Kobe | 24/25 | 14/15 | | | |
| Kuala Lumpur | 24/25 | 14/15 | | | |
| Lahore | 24/25 | 14/15 | | | |
| London | 24/25 | 14/15 | | | |
| Lyons | 24/25 | 14/15 | | | |
| Manila | 24/25 | 14/15 | | | |
| Medan | 24/25 | 14/15 | | | |
| Moscow | 24/25 | 14/15 | | | |
| Mumbai | 24/25 | 14/15 | | | |
| Nairobi | 24/25 | 14/15 | | | |
| Paris | 24/25 | 14/15 | | | |
| Rangoon | 24/25 | 14/15 | | | |
| Rome | 24/25 | 14/15 | | | |
| Sao Paulo | 24/25 | 14/15 | | | |
| Seoul | 24/25 | 14/15 | | | |
| Shanghai | 24/25 | 14/15 | | | |
| Singapore | 24/25 | 14/15 | | | |
| Taipei | 24/25 | 14/15 | | | |
| Tehran | 24/25 | 14/15 | | | |
| Tokyo | 24/25 | 14/15 | | | |

Gene-Altered Food, Rightly Spliced, Gets Official Go-Ahead for American Tables

By Malcolm Gladwell

WASHINGTON — The Food and Drug Administration has ruled that food products altered by genetic engineering raise no new or unique safety issues and will be regulated no differently than foods created by conventional means.

The decision ends years of uncertainty about the products of the new science of biotechnology will be treated by government regulators. It is expected to give a significant boost to the development of new strains of fruits, grains and vegetables for the supermarket.

The policy was developed by the Food and Drug Administration and Vice President Dan Gajjar's Council on Competitiveness. It reflects the overwhelming consensus of the scientific community that the use of genetic engineering is not as risky as had been thought a decade ago.

Officials of the agency said that rather than institute special regulatory procedures to deal with foods created through recombinant DNA technology, they will evaluate the safety of new nutrients or ingredients added genetically to individual products in the same way that they now treat a new sweetener or preservative added to a cake mix or a soft drink.

The agency will not require that foods altered by genetic engineering always be so labeled, nor will it require that every genetically altered food have agency approval before going to market. Instead, the agency has produced guidelines to help companies decide whether they need approval.

"People have been genetically modifying plants through traditional means for centuries," said Michael Taylor, deputy FDA commissioner for policy. "Those changes have never triggered a premarket approval. But there has been uncertainty among companies, and they have come to us and asked, 'Is it going to be any different if we use genetic engineering?' We're saying in principle there is no difference."

Steven Holtzman, vice president of DNK, a biotech company in New Jersey, said, "The important thing here is that there is not a presumption of lack of safety because of the fact a product is biotech."

The new policy drew expected criticism from environmentalists and others. Some have said the scientific community has been too sanguine about potential risks of biotechnology.

Margaret Mellon, director of the national biotechnology policy center at the National Wildlife Federation in Washington, said, "In the next couple of years when you stand at the Safeway and survey the produce counter, you're going to look at tomatoes or potatoes and you will not know if that contains a foreign gene and where it comes from—from a human or a camel or bacteria—and who did it. I think that's outrageous."

Food producers have been waiting more than a decade for the ruling. Some producers had expressed concern that the agency, pressured by environmentalists, might have required companies to file a pre-market application for every bioengineered product. That would have required thousands of pages of data and might take years.

The new rules are based on the conviction that nothing is intrinsically dangerous about taking a gene from one organism and implanting it in another. This process, it is argued, is no different in principle from what happens when new hybrids or plant varieties are created through traditional techniques. Under the new policy, how the gene got there does not matter but what ingredients or traits are created is important.

If the changes are minor, or involve chemicals common to the food supply and do not disrupt the concentration of naturally occurring toxic agents, or if they introduce an allergen or change important nutrients, FDA officials said companies would be allowed to proceed without seeking government approval.

If, however, the changes involve adding something new that would greatly disrupt the plant's natural state, the developer might be required to file safety data with the agency, as if it were introducing an artificial sweetener.

For example, one major seed company is attempting to take the gene that produces the important amino acid methionine in Brazil nuts and add it to soybeans to make a more nutritious chicken feed. Because Brazil nuts and methionine are known to be safe, the new soybean variety might not require formal agency approval.

In a case where no outside genes are added, companies might have an even simpler time.

For example, the California hiotech company Calgene says it has developed a tomato in which a gene that makes the fruit go soft after ripening has been blocked. That makes it possible to pick the tomato when ripe but prevents it from spoiling before reaching market. Here the company might have to show only that gene deletion did not disrupt nutritional makeup.

Even in cases where genes are introduced into a plant from animals, the same guidelines would apply. For example, some scientists are trying to add to vegetables the genes that help keep the winter floury from freezing in Arctic waters. The theory is that the same gene will prevent mushiness in defrosted vegetables.

Under the agency policy, the source of the gene will be irrelevant. Genes could even come from humans. All that will matter is the characteristic of the gene itself, the protein made by the gene and the effect it has on the plant.

WORLD BRIEFS

Tbilisi, Links Aid to Riots
Secretary of State James A. Baker on Tuesday said that the Georgia government had requested the United States to provide emergency aid for the Tbilisi riots. Baker said the United States would provide \$5 million in emergency aid to help the Georgian government deal with the riots.

Khmer Rouge to Cooperate
The United Nations said it would cooperate with the Khmer Rouge to help them deal with the aftermath of the genocide in Cambodia.

Lebanon Air Raids
The United States said it would provide air support for the Lebanese government against the Hezbollah guerrillas.

France Bakhtiar Suspect
The United States said it was investigating the possibility that a French citizen was involved in the assassination of a Pakistani leader.

Seoul Race
The United States said it would provide aid to the South Korean government to help it deal with the political situation in Seoul.

AMERICAN TOPICS

High Schools Putting The Brake on Students

At suburban high schools across the United States, driving to school has become such a distraction to the learning process that it's hampering kids, say some educators. "There's a lot of pressure on students to get to school on time," said a school principal. "But many schools are now limiting student parking to seniors. Without a place to park, younger pupils have to take the bus."

One high school in New Milford, Conn., is driving to school has become such a distraction to the learning process that it's hampering kids, say some educators. "There's a lot of pressure on students to get to school on time," said a school principal. "But many schools are now limiting student parking to seniors. Without a place to park, younger pupils have to take the bus."



FOLLOWING THE TOUGH ACT — Jay Leno, the successor to Johnny Carson as host of the NBC's "Tonight Show" on American television, sharing a laugh with his first guest comedian, Billy Crystal. It was Mr. Leno's first night in the legendary slot.

Short Takes

In the growing controversy over abortion, the legal staff of the American Civil Liberties Union's abortion-rights team has severed its ties to the ACLU and formed its own independent organization, to be called the Center for Reproductive Law and Policy. The new unit consists of nine lawyers who had been on the ACLU's national staff of 40. Its share of the ACLU's \$10 million budget had been \$2.3 million. Janet Benshoof, director of the breakaway group, said it now will be able to keep whatever money it raises rather than have some of it go for other ACLU activities. She said, "We're facing a scary new world without Roe and we're going to face it in the strongest way possible." Roe v. Wade is the U.S. Supreme Court's 1973 ruling protecting abortion rights.

Treating critically ill patients with a gentle rocking motion can reduce the time they spend in intensive care units by about one-quarter, according to a study by the Medical College of Virginia. Kinetic therapy uses mechanical beds to keep patients in constant motion, slowly swinging patients from side to side. Even under the best conventional care, a nurse turns a patient once every two hours. Researchers said kinetic therapy cut in half the number of intensive care patients who got pneumonia.

Since 1986, foreign climbers have accounted for all but one of the 23 deaths on Alaska's Mount McKinley and at least three-quarters of the rescues, even though only one climber in three is a foreigner, National Park Service records show. At 20,320 feet (6,194 meters), McKinley, also known by its Athabaskan Indian name of Denali, is the highest peak in North America. "I think a lot of people underestimate McKinley," said Jim Phillips, a park service ranger. "It's only 20,000 feet and if you're used to climbing 28,000 feet they think it's no big deal." Others say Americans tend to take mountain climbing less seriously than Asians and Europeans and thus are less willing to take risks to reach the summit.

"French fries \$20," says a full-page advertisement in the New York Times. Underneath, in smaller type, the ad goes on to say, "Magnificent side order of ad is for \$10, which calls itself 'New York's Great Parisian Steakhouse.'"

Arthur Higbee

Court Clears Mail-Order Tax

Justices Say U.S. Congress Can Let States Impose Levy

WASHINGTON — The Supreme Court on Tuesday cleared the way for Congress, if it chooses, to let states tax mail-order sales. The ruling could have an enormous impact on American business, state treasuries and millions of consumers.

In a case from North Dakota, the court said states may, with congressional approval, force out-of-state catalog companies to collect the taxes — sales or use taxes — that their in-state customers owe on mail-order purchases.

The high court in 1967 banned states from imposing tax-collection obligations on businesses that have no physical presence within their borders. That ruling said that imposing such obligations would violate out-of-state companies' due-process rights and interfere unduly with interstate commerce.

Although states have always been legally able to tax consumers for mail-order purchases, they have no means of enforcing such laws if they cannot collect the taxes from the merchants.

Tuesday, the court unanimously reversed that part of its 1967 decision that said such tax-collection obligations violate due-process rights.

But by an 8-1 vote, the court said that imposing such obligations — without congressional approval — still interferes unduly with interstate commerce.

Justice Byron R. White voted in the minority to overturn the 1967 decision by ruling that no interstate-commerce problem is posed by states requiring mail-order companies to collect the taxes.

The decision still bars states from collecting taxes on mail-order sales but leaves Congress free to lift that prohibition.

Mail-order sales are thought to be more than \$200 billion a year, an estimated fourth of all retail sales nationally. One reason for their rapid growth has been the attraction for consumers of tax-free purchases.

The amount of tax money the states have been unable to collect is a matter of some dispute.

The National Governors' Association and the direct sales industry contend the amount exceeds \$3 billion a year. The mail-order industry contends the amount is about \$1 billion a year.

The North Dakota Supreme Court ruled in 1990 that the landmark 1967 decision, in a case called National Bellas Hess v. Department of Revenue, had become an "obsolescent precedent" that need not be followed any longer.

It said technological advances of the 1970s and 1980s "created revolutionary communications abilities and marketing methods which were undreamed of in 1967."

Those advances, the state court ruled, make it far easier for a mail-order company to collect from its customers the appropriate state tax.

But some mail-order representatives have said the administrative expenses for collecting taxes and returning them to state and local governments nationwide could drive smaller catalog companies out of business.

The ruling allows Congress to give states the power to force mail-order companies to collect taxes from consumers on future sales only.

Yale Is Down, Its Leader Out

By Deborah Sontag

NEW HAVEN, Connecticut — Hours before the Yale University president, Benno C. Schmidt Jr., ushered the Class of 1992 into the future at a spirited commencement ceremony, he stunned Yale's trustees with the private announcement that he, too, would be leaving the beleaguered university.

Mr. Schmidt told the Yale Corp. in an early-morning meeting that he was resigning after six years as president to head an ambitious, risky venture to create a national private school system.

Then, at a news conference here Tuesday, he announced that he would join Whittle Communications as president and chief executive officer of the Edison Project.

The project is the brainchild of Christopher Whittle, a maverick entrepreneur from Knoxville, Tennessee, who aims to build 1,000 for-profit, technologically advanced schools that would eventually serve as the model for revolutionary changes in American education.

Mr. Schmidt said he had been considering the move for a year, as he grappled with Yale's \$12 million budget deficit.

The university has also been managing a disputed \$500 million building program even as it considers a recommendation to cut the faculty and eliminate several academic departments. By any measure, Yale is experiencing some of its most drastic changes in decades.

During the past year, Mr. Schmidt, 50, confided in very few people that he was considering abandoning two decades of tenured life in academia for a partnership with Mr. Whittle, a 43-year-old businessman known, admired and also mocked for his boldness.

Mr. Schmidt, a legal scholar whose expertise is the First Amendment, will start work on the Edison Project this summer, based in New York. He plans to leave Yale by Jan. 1, 1993, at the latest, he said.

He would not say how much he will be paid, although presumably it will be significantly more than his Yale salary. According to records filed with the federal government, his salary in 1988-'89 was \$187,000.

Leaving Yale, he prides himself on being "the most successful fundraiser in Yale history."

The Edison Project's goal is to design completely new schools, run them at lower cost than public schools, charge a moderate tuition and make substantial profits. Mr. Whittle hopes to build and open 200 schools combining day-care and elementary education by the autumn of 1996, and a total of 1,000 day-care-through-high school campuses by 2010.

Some educators have been wary of Mr. Whittle's involvement in education, venturing that he is interested in students primarily as potential consumers.

"Channel One," his MTV-style television news program for high schools, drew sharp criticism for hiring commercials for candy bars and expensive sneakers into the classroom. But schools bought it anyway. Mr. Whittle estimated the audience for "Channel One" at 8 million teenagers.

Among Republicans, Civil War Looms on Abortion

By Robert Pear

WASHINGTON — Republican supporters of abortion rights are preparing for a bruising battle in their effort to change the party platform, which since 1980 has firmly opposed abortion.

The White House has given no sign of moving to mollify the advocates of the right to choose abortion, who have little immediate prospect of beating an incumbent president of their own party on such an explosive issue.

But those advocates appear willing to cause political discomfort for President George Bush by waging a public campaign on the issue and by carrying their fight to the floor of the Republican National Convention in Houston this August.

The first step in the campaign came Tuesday at a Republican Platform Committee hearing on family issues in Salt Lake City, where billboards carrying the logo "Republicans For Choice" proclaim that "68 percent of our party can't be bothered" with the issue.

Better organized and better financed than in previous election years, the Republican supporters of abortion rights have not agreed on the precise language they want in the platform. Some say silence or neutrality would be a big improvement, but most are pushing for a plank that promises to protect women's access to abortion.

"We are going to be a very loud, very annoying voice from here straight through to Houston," said Nicholas J. Graham, a spokesman for the National Republican Coalition for Choice.

Representative Nancy L. Johnson of Connecticut, said, "I feel confident we will achieve some change in the text of the party platform." At a minimum, she said, she hopes to delete a provision that calls for a constitutional amendment banning abortion.

Charles Black, a senior adviser to the Bush campaign, made it clear that the White House would oppose such efforts. "We are not trying to limit debate, but we want the platform to support the president's position on everything possible, especially a high-profile issue like abortion," he said.

Mr. Bush says he opposes abortion "except when the life of the mother is threatened or when there is rape or incest." In 1988, as in 1980 and 1984, the Republican platform called for an amendment to the Constitution to protect "unborn children" and urged the appointment of more judges who opposed abortion.

In 1976, three years after the Supreme Court declared in Roe v. Wade that abortion was a constitutional right, the Republican platform opposed abortion but acknowledged that there were diverse views among Republicans.

Abortion is less divisive for the Democratic Party, which said in 1988 that "the fundamental right of reproductive choice should be guaranteed regardless of ability to pay." Governor Bill Clinton of Arkansas, the party's likely presidential nominee, invariably gets applause when he declares his support for the right to choose abortion.

But some Democrats, for instance Governor Robert P. Casey of Pennsylvania, want to restrict abortion. They say the party's position on abortion has hurt its presidential candidates in the past. Of the 268 Democrats in the House of Representatives, at least 40 vote consistently to restrict access to abortion.

With the Supreme Court expected to redefine the limits soon, abortion is a more salient political issue than at any other time since the Roe v. Wade decision in 1973.

CAMPAIGN: One of Texan's Strengths Is an Adroit Use of News Media

(Continued from page 1)

ashing aides that reporters can hardly resist and recipients can hardly overcome.

With a history of successful media campaigns going back to 1969, he long ago mastered a knowledge of both the hardware and the software of mass communication, of the technology and the psychology of the business.

Now, through these same skills and tactics, he has done something extraordinary. A man who has never held public office and has not yet declared his candidacy for the office he seeks, Mr. Perot this week became a credible presidential contender, rising to or near the top of national and state polls.

He has achieved this in the space of a few months and in a way never before even tried, bypassing party structure, the primary process and traditional campaigning, traveling from oddity to viability exclusively on the strength of mass media exposure.

The world, Mr. Perot has observed, is full of morning glories, blooms that fold by the end of the day. He may prove to be one himself, but his accomplishment will remain. The inevitable flowering of the age, he is the nation's first pure media presidential contender.

What is perhaps most audacious about this is that the core of Mr. Perot's media strategy is to run against the media, or at least to appear to do so. He is waging his noncampaign campaign primarily through the nonnews media, relying on the live radio and television talk shows that have become an increasing political force. It is a tactic that has impressed the Washington image magicians whom Mr. Perot disdains.

"It was a very smart move to pick up on the talk show concept," said Michael K. Deaver, Ronald Reagan's former deputy chief of staff and keeper of the president's image. "I think Perot understands something fundamental about what is going on in this country with talk radio and TV programs. They have become the track the disenfranchised now uses to express its will. The elite press is part of the establishment, as far as the public is concerned, part of the whole rigged game, part of the fix."

At times in his television interviews, Mr. Perot seems the picture of a man poised on the edge of taking offense, his tough lips furrowed forward, his chin out and up. He leaps on challenges' words while they are still forming on their lips. When he is particularly aroused, he shows his teeth in a right smile and lets a sharp and shining knife-edge of disdain show beneath the soft Texas twang.

His style, by all accounts, is not an act, but that does not mean Mr. Perot has not pondered what he is doing. Looking back at some of his more contentious television interviews, he described his questioners as engaged in a game of "gotcha," trying to "prove their man- or womanhood by trying to trap" people like himself into stupid or false answers. As he sees it, he's winning the game.

"After 'Meet the Press,' our telephone banks went into overload for three days, everyone calling in to volunteer," he said. "Now what triggered those people to volunteer? It was that part of the show that was the 'gotcha.' That's what drove it. I have the ability to know this from the phone banks."

He added, "I should get up in the morning and go out and say to the press, 'Hi me.'"

Negative newspaper and magazine articles, which Mr. Perot says are inspired by a Republican "dirty tricks department" that he says is trying "to destroy me in the eyes of the voters," are of even less concern, he said.

"They don't matter," he said. "I'm not sure how much people read anymore. What happens on TV is what really impacts on people. I think you could print any story you want on the front page of The New York Times and there's no reaction. It just blows away. What's even weirder, there will be a print story that carries some fairly serious allegation — that has nothing to do with the truth, nothing at all — but fairly serious, and you would think that at least the other print guys would pick it up and ask questions. But, no. It just dies on its own legs."

Anyway, Mr. Perot said with a small laugh, none of that is of much matter to him. "That's the game the press plays," he said. "It doesn't bother me."

Perhaps it does not. But a look at Mr. Perot's career does not suggest he is so entirely unconcerned about the way he and the things he cares about are seen in the public eye.

An illustration can be found in his treatment of the most dramatic episode of his life, the 1979 mission he organized to rescue two employees of his company, Electronic Data Systems, held in an Iranian prison.

To write the story of the rescue, Mr. Perot chose the English novelist and former newspaper reporter Ken Follet, author of several best-selling novels. Mr. Follet produced a book called "On Wings of Eagles," which portrays Mr. Perot in heroic terms. Published in 1984, it sold more than 300,000 copies in hard cover and served as the basis for a movie broadcast by NBC in 1986.

Mr. Perot is quick to recommend the book, but less quick to mention that he had editorial control over its contents. For "On Wings of Eagles," Mr. Follet received an advance of \$1 million from the New York publishing house New American Library. The contract gave Mr. Perot "approval over the manuscript of the work" and the right to stop its publication if Mr. Follet was "unwilling to make the revisions required by Perot."

Mr. Follet, responding to written questions last week, said he had a separate contract with Mr. Perot, which provided that Mr. Perot would, in the event that he suppressed the book, repay Mr. Follet the \$1 million the author would be obliged to return to the publishers.

In practice, Mr. Follet said, Mr. Perot largely limited his requests and comments to points of factual accuracy, and did not try to alter the portrayal of himself.

When his image is threatened by statements or published reports unfavorable to him, his family or his business, Mr. Perot has shown a penchant, and a talent, for hard-ball tactics impressive even by Washington standards.

Asked this week about a 1988 report by Laura Miller, then a columnist for The Dallas Times-Herald, that Mr. Perot once proposed in an off-the-record session with journalists that the police cordon off the crime-ridden neighborhoods of South Dallas to conduct house-to-house and pedestrian searches for guns and drugs, Mr. Perot responded with a question of his own.

"How much do you know about Laura Miller?" he asked. "Not much, I bet. Well, dig in. 'What did Mr. Perot mean by this?' 'I'm not going to say anything,' he said. 'You just need to check her reputation for accuracy and professionalism.'"

Mr. Miller said she was not surprised by Mr. Perot's remark and would stand on her reputation.

Perot Resigns Top Post At His Computer Firm

The Associated Press

WASHINGTON — Ross Perot, apparently clearing the decks for an expected independent presidential candidacy, resigned Tuesday from the chairmanship of his data processing company, Perot Systems Corp.

His handpicked successor to head the company, which is based in Herndon, Virginia, is Morton Meyerson, a Dallas businessman and longtime associate.

Mr. Perot created Perot Systems in 1988 after he sold his interest in his original data-processing business, Electronic Data Systems Corp., to General Motors Corp. in 1984.

Compared with EDS, Perot Systems is small. It had 1991 revenue of \$200 million, while EDS's revenue was \$7.1 billion.

The company has 1,500 employees. Mr. Perot will retain a leadership

INTERNATIONAL **Herald Tribune**

Published With The New York Times and The Washington Post

And Central America?

Whatever happened to Central America? The region has all but vanished from popular consciousness, along with Ronald Reagan's dire vision of a great red tide inching inexorably to Harlingen, Texas. Yesterday's Cold War battleground is today's backwater. And Washington, after a decade of interventionism, no longer seems interested in Central America's precarious passage from war to peace, from militarism to democracy.

though Washington may not like all her policies, it cannot deny that war left her country impoverished and polarized. Nonetheless a big cut is likely in the \$741 million in U.S. aid earmarked for Nicaragua this year. Washington will surely cite the hard realities of competing claims for scarce dollars. Still, it does the White House little honor to contrast the determination that led to Nicaragua's devastation with the low priority given to repairing the ruins.

Expose the Tilt to Iraq

Victory in the Gulf War was supposed to be a jewel in George Bush's re-election crown, but it now cries the prospect of some additional tarnishing in Congress. It had long been clear that the American government maintained a tilt to Iraq well after the ostensible reason — to check the threat of Islamic fundamentalism emanating from Iran — had dissolved with Iran's losses in the Iran-Iraq war of 1980-88. The unforgettably permissive statement of the American ambassador to Saddam Hussein on the eve of his aggression against Kuwait in August 1990 underlined the point.

a political season, partisan debate as well. The issue of impropriety and possible illegality is different. Critics, wielding the term "Iraqgate," have zeroed in on Iraq's use of the Atlanta branch of an Italian bank to obtain some \$5 billion in loans and credits that were applied partly and perhaps in a shady way for agricultural products and partly and perhaps in an even more shady way for industrial and military-related products. Driving the inquiry is the sickening possibility that the United States helped create the monster it finally went to war to slay. The House Judiciary Committee is due to decide on June 2 whether to seek appointment of an independent counsel to see if the administration in these various dealings broke the law.

Oil Insurance to Pay

Although the Strategic Petroleum Reserve is America's best insurance against future oil shocks, the Bush administration has fallen behind on the premiums. The SPR is a system of gigantic reservoirs of oil stored in underground caverns, ready to be tapped in an emergency, but to save money the administration is no longer filling them.

barrels. Most industrial countries think that a reserve ought to cover 90 days' imports. The present reserve in America would cover only 76 days of imports, even at the current recession rate of consumption.

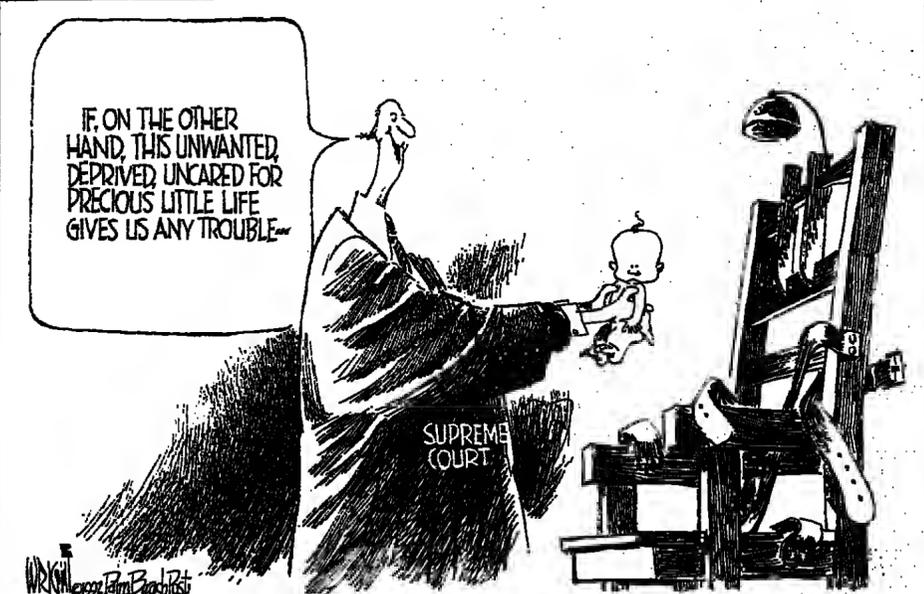
Other Comment

Thanks Be to Washington
Nuclear disarmament and foreign aid have become major matters in our relations with the world community, which is seriously concerned about our social and ethnic conflicts. The West sees it as its urgent task to reduce nuclear arms and render aid. Some of the Commonwealth states realized this and decided to make use of nuclear arms stationed on their territory to become nuclear powers and enhance their world prestige.

how in defend its national interests. The visit by Ukrainian President Leonid Kravchuk to the United States proved that no cooperation is possible if a state is not nuclear-free.

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Serbia Should Have to Answer for Its War Crimes

NEW YORK — Thousands of helpless civilians in Bosnia-Herzegovina are without food or medicine, at the mercy of Serbian forces that are shelling and blockading their cities and towns. "We are not dangerous, we are not rich. We just don't count," Haris Silajdzic, the foreign minister of Bosnia-Herzegovina, lamented the other day in New York.

By Jeri Laber and Ivana Nizich
Serbia's distinctive pattern of aggression when it established a military occupation in the province of Kosovo in the late 1980s on the pretext of defending the Serbian minority there. The Albanians in Kosovo, who make up 90 percent of its population, once enjoyed autonomous status, but this came to an end when Mr. Milosevic moved his troops in and began a deliberate policy of colonization, resettling Serbs in Kosovo and marginalizing the local population.

and forcible removal of populations. These tactics have resulted in more than 12,000 dead and more than 1.5 million displaced in Croatia and Bosnia-Herzegovina. The figures from Bosnia-Herzegovina are swelling these statistics by the day.

India and America: Back to Grumble-as-Usual

HONOLULU — Many Indians are probably secretly relieved by the recent U.S. decision to impose sanctions on a deal that would enable India to buy cryogenic rocket engines from Russia. American anti-twisting, as they see it, means that it is business as usual between India and the United States instead of a sudden, bewildering and overpowering friendship.

By Sunanda K. Datta-Ray
India's rapprochement, is a reminder that one does not wash away serious differences. India's refusal to sign the Nuclear Nonproliferation Treaty on the ground that the pact discriminates against non-nuclear powers is a major bone of contention.

ware, favorable trade terms or easy credit. These Indians accuse General Sumit Francis Rodrigues, the army chief of staff, of succumbing to American blandishments.

Earth-Friendliness Is Going to Be Good Business

GENEVA — Conventional wisdom must change. It is precisely those industries, and those nations, that do not take the environment seriously that will lose their competitive edge in the near future.

By Stephan Schmidheiny
row's winners will be those who most quickly improve their eco-efficiency.

well as duty in the coming environmental shakeout. We cannot change nature's laws, but business's great strength is its flexibility. We can change the ways we do business.

Use Trade For Rights In China

By Holly Burkhalter
WASHINGTON — This week President George Bush is expected to renew the favorable tariff treatment that enables China to export goods to the United States at the lowest possible rates. Washington is deadlocked on the issue for the third straight year, and a new way to put pressure on China through trade sanctions is required. As it happens, the White House has discovered it.

Perhaps inadvertently, Mr. Bush is the architect of a potentially successful human rights policy toward China. His approach of codding Beijing, whispering occasional criticism and hoping for improvements has been an abject failure. He has refused to end most-favored-nation status on the grounds that China's economy, including reform-sector industries, would be ravaged and the government's voices of economic modernization silenced. He has imposed even mild conditions on most-favored-nation treatment, apparently believing that Beijing will not or cannot meet minimal human rights standards.

A strategy of selective penalties could be devised that would permit many imports from the burgeoning private sector to enter the United States at low tariff levels while slapping exports from government-owned industries with prohibitive rates.

During congressional deliberations on the trade status in 1990 when renewal seemed to be in jeopardy, Beijing released hundreds of political prisoners. But once Mr. Bush's support was clear and the votes were counted in Congress, the suspense was over in Beijing, and so were the human rights concessions.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Carriage Upeet

LONDON — As Lord Salisbury was being driven to the Foreign Office yesterday afternoon (May 27) his carriage was upset in St. James's street. When one horse attempted to bolt, both animals became unmanageable and galloped away, and the brougham was overturned and shattered. The coachman was thrown violently and lay in the roadway with the carriage on top of him. Lord Salisbury remained in the carriage until the arrival of some police and passers-by, who with much effort managed to drag His Lordship out of the top door, shaken but unharmed.

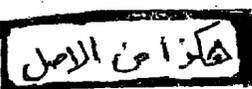
1917: Bombe Kill 76

LONDON — Seventy-six persons had been killed in an aerial raid made over South-east England between 5:45 p.m. and 6:30 p.m. yesterday (May 26) by seventeen German airplanes. Twenty-seven of them were women. Most fatalities occurred

in the square of a town on the coast, where a large number of women aged men and children were gathered. In a few minutes fifty bombs were dropped into the midst of the crowd in the square. Flies of German aeroplanes appeared, followed by a flint guard. Fifteen minutes after the massacre heavy cannoning was heard in the distance. The British fleet mounted but was too late to fight.

1942: Chinese Resist

CHUNGKING — [From our New York edition:] Chinese defenders hurled the Japanese back from two to nine miles in three directions toward the outskirts of Kinsui, killing another 3,000 of the enemy, in an intense Japanese losses in the Chinking Province campaign to 8,000 men. It was revealed today (May 26). While at China's western end, Japanese mechanized reinforcements were reported entering French Indochina, raising fears of a northward drive into Yunnan Province.



OPINION

Pop-Culture Mirrors Should Scare Us All

By Jonathan Yardley

WASHINGTON — It is easy to be contemptuous of Dan Quayle...

MEANWHILE

ican moral decay and thus, somehow, of the Los Angeles riots...



More likely the former than the latter, yet the possibility that people writing or otherwise take their cues from mass culture...

The Monster Can Be Tamed

By A. M. Rosenthal

MADRID — The monster tears apart his bleeding son with his teeth and devours him...

ON MY MIND

lived through most of the passing years, through dictatorship, foreign invasion and civil war...

Asian Militarism. Regarding the report 'Thai Troops Spread as Army Efforts Fail in Cambodia'...

LETTERS TO THE EDITOR

For someone like myself can write to your newspaper. 'Gorbymania' after all, is nothing but people's desire to thank Mr. Gorbachev...

GENERAL NEWS

Brazil Fraternal Clash as Affair of State

By James Brooke. RIO DE JANEIRO — Two weeks before President Fernando Collor de Mello is to welcome 100 national leaders to an environmental summit meeting here...

Compensation Ends 'Dingo Baby' Affair

SYDNEY — Australia's 'dingo baby' saga ended when authorities agreed to \$980,000 payment to Lindy and Michael Chamberlain for wrongful conviction in connection with the 1980 disappearance of their 9-week-old daughter, Azaria...

Bread Rationing in Mongolia

ULAN BATOR, Mongolia — Mongolia began rationing bread on Tuesday to try to ensure minimum food supplies for its urban population...

Compensation Ends 'Dingo Baby' Affair

laims, who are now divorced, had insisted from the outset that a dingo, a wild dog, had taken Azaria from their tent while they were staying at a campground...

Bread Rationing in Mongolia

Restored. ULAN BATOR, Mongolia — Mongolia began rationing bread on Tuesday to try to ensure minimum food supplies for its urban population...

Crossword puzzle grid with clues for Across and Down sections.

Cartier advertisement featuring a watch and the slogan 'CARTIER. L'ART D'ÊTRE UNIQUE'.

Cartier advertisement featuring a watch and the slogan 'CARTIER. L'ART D'ÊTRE UNIQUE'.

Use Trade For Rights In China. By Holly Barkshire. WASHINGTON — The president has ordered a review of the foreign policy...

Short of Water, Short of Peace, Refugees Put Strain on Kenya

By Keith B. Richburg

Washington Post Service

WALDA REFUGEE CAMP, Kenya — The magnitude of East Africa's refugee crisis is plain to see in this barren corner of northern Kenya near the Ethiopian border.

A year ago, it was a dusty village crossroads of 50 people — an extended family clan occupying a few huts in a parched wasteland traversed mainly by nomads.

Today, Walda is a spreading city of 35,000, and it is getting bigger by the hour. Most of the new arrivals are refugees fleeing civil war in southern Ethiopia and the effects of a drought that threatens the Horn of Africa with widespread famine.

United Nations refugee experts estimate that hundreds of Ethiopians cross the border each day, and they are straining the ability of the Kenyan government and international relief agencies to supply them with such basic needs as food, water and health care.

On a recent day here, scores of emaciated women — many with infants on their backs — lined up under a scorching sun to be processed by aid workers. The infants, all tiny and underfed, would be measured and weighed to determine the extent of their malnutrition.

The women, bearing their weakening babies and ragged bundles of belongings, had walked for days over inhospitable terrain to get here. The journey showed on their exhausted, plaintive faces. When pressed, some said they came to seek food for their babies or to escape the fighting across the border in Ethiopia.

Some refugees here and at other Kenyan camps have spent much of their lives fleeing ethnic or political conflicts in the region. One young man here, a Somali, fled his country for a refugee camp in Ethiopia several years ago. Now at Walda, he has become part of what aid officials call a new class of "professional refugees" who travel from site to site in an endless circle of misery.

Ethiopians account for less than half of a huge regional migration that has turned Kenya into one of the world's largest refugee sanctuaries. East of Walda,

thousands of Somalis pour across the frontier every day, fleeing incessant clan-based warfare that has reduced Somalia to anarchy. The violence there shows few signs of abating despite continuing peace efforts by the United Nations, and the refugee tide is expected to surge higher still.

Kenya, which supported just 14,000 refugees in 1990, is now home to more than 250,000, mostly Somalis and Ethiopians but also growing numbers of Sudanese and Ugandans. If the current influx continues — and the warfare and deteriorating food situation throughout the region suggest that it will — UN aid specialists estimate that Kenya's refugee population could reach 750,000 by year's end.

Aid workers say that as many as 50,000 of these new arrivals could come from Sudan, where the Islamic military government in Khartoum has been waging a strong offensive against separatist rebel forces in the south.

Aid workers say they fear the situation in Kenya already has reached crisis proportions because of the steady flood of migrants into such remote, ill-equipped locations as Walda, their desperate condition when they arrive and the dearth of government resources to care for them.

"It's because of the rapidity of the influx; it's been almost overwhelming," said Carrol Faubert, the resident representative of the UN High Commissioner for Refugees. "This population arrives in extremely bad shape. Some are wounded. Some are in a general state of malnutrition."

About 100 refugees die each day from malnutrition, diarrhea or a variety of diseases. Refugee officials say that is about four times what would normally be expected in a refugee population the size of Kenya's. Kenya's available refugee camps have already been overwhelmed. The UN refugee agency has facilities for 130,000 refugees, barely half what is now needed.

For Kenya, the sudden refugee tide poses a host of difficult problems in a country already grappling with severe drought, an emergent multiparty political system and a surge in tribal violence that has claimed hundreds of lives.



IDENTITY CRISIS — Haitian refugees, with newly issued identity cards, at a barbed fence at Guantanamo Bay Naval Base in Cuba. The White House said Tuesday that the Coast Guard was returning about 40 Haitians it had rescued in the Caribbean, the first to be shipped back under a new executive order.

Thais Look to Opposition to Form a Government

By Philip Shenon

New York Times Service

BANGKOK — The military-backed five-party coalition that controls Thailand's government was on the verge of collapse Tuesday as a result of the violent crackdown on democracy demonstrations last week.

While there was some discussion that the five parties might cling to power, lawmakers from all parties seemed to agree that the coalition's credibility among voters was nonexistent, and that opposition parties would now have to be given a chance to form a new, untainted government.

Many Thais say that leaders of the five parties share blame for the bloodshed, since several of them stood behind the prime minister, General Suchinda Kraprayoon, when troops moved against democracy demonstrators in the streets of Bangkok, killing scores and perhaps hundreds of people.

General Suchinda, who was named prime minister by the coalition last month, resigned Sunday and is in hiding.

The state of emergency, decreed by his government in the face of opposition protests, was lifted Tuesday and troops returned to their barracks.

The justice minister, Sawat Kamprakob, proposed Tuesday

that the opposition parties be given "the opportunity to show their ability" to form a government. He named five possible candidates to replace General Suchinda as prime minister.

Among them was Chavalit Yongchaiyudh, a longstanding rival of General Suchinda who leads the opposition New Aspiration Party.

On Monday, the five-party coalition, responding to the public fury over the bloodshed, moved quickly to amend the constitution in ways that would end the military's stranglehold on the political system. Final approval of the amendments is expected next month.

The death count from the clashes remained a matter of speculation in Bangkok, as the families of hun-

dreds of missing people pleaded for information about their loved ones.

The government has said that 48 people died in the violence, but from most accounts that figure is low. The police in Bangkok said Tuesday that it had received reports that 589 people were missing since the clashes.

The president of the Law Society of Thailand, said lawyers from his group had interviewed witnesses who had seen troops attack civilians last week and learned that "soldiers put dead people onto trucks and drove them away."

The society president, Sak Khongsuang, said that his group had also talked with doctors at military and civilian hospitals in Bangkok, who reported that no bodies had

been brought to hospitals in military vehicles.

"So where have the bodies gone?" Mr. Sak asked, adding that the Interior Ministry and other government agencies had refused to assist in the search.

Mr. Sak said he believed that the military leaders who ordered the attacks on demonstrators should face criminal investigation and prosecution.

He said that an amnesty order issued Sunday in the name of General Suchinda and King Bhumibol Adulyadej was unconstitutional and would almost certainly be overturned by a government tribunal of judges and lawyers that is reviewing it.

The amnesty decree would bar

the prosecution of General Suchinda and all other government officials involved in the crackdown.

If the amnesty decree remains in effect, Mr. Sak said, "the situation will become fairly unpredictable, and there may be more mass demonstrations."

At the National Institute of Development Administration, a government-sponsored university in Bangkok, several students were on the telephone Tuesday, trying to gather information on their list of missing persons.

Kanitta Thitakamol, a 24-year-old student volunteer, said the missing were mostly young Thais from bankers and garage mechanics to journalists. Many are students.

Victor Emerges in Philippines

By David E. Sanger

New York Times Service

MANILA — More than two weeks after Filipinos went to the polls in a test of the country's fledgling democracy, Fidel V. Ramos, the former general who once enforced the decrees of Ferdinand E. Marcos and then turned on him in the "People Power" revolution, has emerged as the clear winner in unofficial vote tallies.

Mr. Ramos, while stopping short of declaring victory, was already

making preparations Tuesday to take office, visiting President Corason C. Aquino and beginning to plan his cabinet. Before he is proclaimed president, however, he must pass one more hurdle: Certification of the election results by the Philippine legislature. It has heard claims from Mr. Ramos's leading opponents that the vote tallies are fraudulent and should be thrown out.

Congress began its official tally of the votes Tuesday night, but the process may last weeks. Under the

Philippine system a simple plurality is sufficient to win, meaning that Mr. Ramos may become president with the 25 percent of votes cast that he now appears to command.

In unofficial results released by a government-sanctioned group that assembling a "quick count" of the tally sheets being sent to the legislature, Mr. Ramos had 4.2 million votes, a million more than either of his two closest rivals, Miriam D. Santiago and Eduardo Cojuangco. About 75 percent of the precincts have reported, but the group has expressed suspicions about the long delays surrounding the remaining ballots.

The Philippines' most influential religious leader, Cardinal Jaime Sin, seemed to reject arguments that Mr. Ramos and the Aquino government stole the election, saying that there was no evidence of massive fraud.

Japan's Ruling Party Presses Others on UN Peace Role

United Press International

TOKYO — The governing Liberal Democratic Party has threatened to call a snap general election unless two smaller parties agree to support a bill allowing the immediate use of Japanese troops in United Nations peacekeeping action.

The Liberal Democrats have control of the House of Representatives but lack a majority in the upper House of Councilors. In the upper

house, they rely on the Democratic Socialist Party, a centrist group, and the Komei Party, to pass legislation.

The chairman of the centrist Democratic Socialists, Keigo Onchi, said Tuesday the threat of a general election had been made by Shin Kanemaru, the 77-year-old "godfather" of the governing party.

The smaller parties refused to give up their demands that the proposed legislation be

amended. It is widely assumed that in a general election the Liberal Democrats would gain seats at the expense of Democratic Socialists and the Komei.

"This shows the concept of the Liberal Democratic Party," Mr. Onchi said. "We cannot offer to cooperate on this important bill with such an arrogant government."

The bill, approved by the lower house last year, needs only to clear the upper house to be law.

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A scene from "Hero and Leander," by Marti Epstein, at the Munich Biennial.

Playing It Straight Munich Fest Reflects Image of City

By John Rockwell
New York Times Service

MUNICH — Munich, the capital of Bavaria, is a conservative city both politically and operationally. In 1988, the composer Hans Werner Henze set out to change that with the first Munich Biennial, a monthlong "International Festival for New Music Theater" performed in theaters all over the city.

Cautiously, however, to judge from several of the offerings at this year's biennial, the third, he has created a conservative festival that reflects the city it is trying to transform.

The biennial's intentions are excellent and their realization even more so, Henze believes, as he put it in an interview recently, that composers can be encouraged to transcend the narrow strictures of modernism by immersing themselves in the theater.

"Too many composers have shied away from the important matter of communication," he said, pacing in the elegant Munich apartment he now uses three months a year.

"I am of the opinion that young composers should learn to narrate properly," he continued. "Almost all composers who write for the theater learn to work in long musical forms without running out of breath. The theater puts them in touch with movement, breathing, weeping, suffering—all the physical and emotional aspects of a human being. When they finish their pieces, their music becomes infected with all of this; they find it hard to get rid of it again."

The festival was born in the mid-1980s, when the battle between what Henze perceived as formalist modernism and more open, humanistic kinds of postmodernism was still being waged in earnest. The city of Munich sought him out to stage some sort of event, and he proposed the biennial. The city now supports the festival with 4.8 million Deutsche marks (\$3 million) per biennial. Co-producers and corporate sponsors provide \$2 million more.

Henze's opposition to the sterner forms of modernism is not only aesthetic but also political, since he has been an outspoken leftist for decades. He is as eager to elevate audience tastes as he is to bend composers toward greater communicativeness. This year, he is offering an opera composed by a group of amateurs who have labored for months in a special workshop.

"This is a composer's festival, a place for experimentation," he said. But he is hardly a wild-eyed, anarchic experimentalist, and of late he has taken to fretting about an excessive "softness" in biennial scores and about "the shallowly simplistic outward manifestations of the postmodern," as he put it in the introduction to this year's biennial program.

This is by no means a democratic festival; Henze commissions all the composers and often combines them with directors, designers and performers of his choice. Peter Lieberman, whose "King Gesar," an hour-long sketch for an opera, was given its first performance here last week, said he wanted David Bowie as his narrator. Henze rejected that idea — "We couldn't have afforded his fee and he couldn't

have done it anyway" — and selected instead a speaker and singer named Omar Ebrahim, who performed the part alertly if rather ornately.

Henze works hard to obtain every sort of variety in his selections — mostly young people, but men and women, West and East Europeans, Americans, Third Worlders, whites and blacks and browns and yellows. But he firmly draws the line at improvisational and electronic music.

"This whole thing is about music as written language," he said. "About music treated as if it were a continuity of signs and syntax and grammar."

Naturally, any selection leads to uneven results. Henze said he suspected that this year's strongest scores would come in the latter part of the biennial, which ends Saturday. People in Munich have said that so far this has been the weakest of the three biennials. What can be said, and what was reaffirmed by three evenings of performances, is that all the music stays securely within the conservative mainstream of contemporary composition.

Perhaps the most interesting pieces came on May 18, a double bill of puppet plays. Henze founded a Munich Puppet School linked to the biennial and commissions composers to create works of musical theater, as he calls it, a term he hopes will overcome the childish connotations of the word puppet.

Of the two plays, both scored for string trio, "Hero and Leander" by the American composer Marti Epstein, with unusual abstract "figures" depicting the characters, made a stronger impression than Susanne Erding Swindoff's more conventionally abrasive "Marvelous Tale of Peter Schlemihl."

On May 19, a similar clichéd modernism — grating sound and sight to no discernible expressive purpose — affected Gerhard Stibler's "Sünde. Fall. Beil." loosely translated in the program as "One Fell Swoop." Henze, who expressed reservations about the communicativeness of the music, said he did admire the opera's flamboyant Grand Guignol libretto, and the score was certainly well performed by the Philharmonic State Orchestra of Bremen and by the singers.

Lieberman, who conducted his "King Gesar," had strong instrumental support for his epic as well. This version was commissioned by Henze for the cellist Yo-Yo Ma and the pianists Peter Serkin and Emanuel Ax, to whom Lieberman added the narrator and five more instrumentalists. "The piece, which alternates nervous mental bustle with somewhat more relaxed meditative passages, was greeted with great enthusiasm at the premiere, as were the performers. Its overt pictorial qualities would be suited by a proper staging, however, and it seemed odd in a festival of new music theater to dispense with the theater.

Otherwise, for all of Henze's imposition of his own tastes, his biennial offers much to be admired. The commissions are generous: \$30,000 for a full-length work, now given out a full two years in advance. The theaters and halls suit the works performed. Young, eager audiences crowd the performances and seem truly enthusiastic.

Everybody is unhappy that in order to repair this fissure, the theater must be closed for 10 months, from Aug. 1 to June 1, 1993.

Since 1986, the Bavarian government has authorized \$25 million for backstage repairs, which included an eight-month shutdown in 1988-89. No wonder the politicians are restless. Last week, after a tour of the hydraulic system led by Josefowski, they refused to authorize funds for the repairs, postponing the decision until at least June 1. One parliament member called the theater a "Bermuda triangle."

Even before this latest setback, Wolfgang Sawallisch, the conductor who is to turn over the direction of the Bavarian State Opera to the English administrator Peter Jonas at the turn of the year, had protested that delays would jeopardize the prestigious Munich Opera Festival in 1993.

The ultimate costs will far exceed the \$24 million that must eventually be voted to eliminate the slime. Opera seasons are planned years in advance, and singers' contracts for 1992-1993 must be honored whether performances are given or not.

The orchestra, chorus and backstage technicians must be paid as well. There are plans for concert performances in halls throughout the city, but the drop in box-office income will still be considerable. Josefowski says one-third of the company's \$66 million annual income comes from ticket sales.

A complex legal investigation is under way to determine responsibility. But any insurance money that the company may receive is years away, Josefowski said.

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Lieberman, who conducted his "King Gesar," had strong instrumental support for his epic as well. This version was commissioned by Henze for the cellist Yo-Yo Ma and the pianists Peter Serkin and Emanuel Ax, to whom Lieberman added the narrator and five more instrumentalists. "The piece, which alternates nervous mental bustle with somewhat more relaxed meditative passages, was greeted with great enthusiasm at the premiere, as were the performers. Its overt pictorial qualities would be suited by a proper staging, however, and it seemed odd in a festival of new music theater to dispense with the theater.

Otherwise, for all of Henze's imposition of his own tastes, his biennial offers much to be admired. The commissions are generous: \$30,000 for a full-length work, now given out a full two years in advance. The theaters and halls suit the works performed. Young, eager audiences crowd the performances and seem truly enthusiastic.

Everybody is unhappy that in order to repair this fissure, the theater must be closed for 10 months, from Aug. 1 to June 1, 1993.

Since 1986, the Bavarian government has authorized \$25 million for backstage repairs, which included an eight-month shutdown in 1988-89. No wonder the politicians are restless. Last week, after a tour of the hydraulic system led by Josefowski, they refused to authorize funds for the repairs, postponing the decision until at least June 1. One parliament member called the theater a "Bermuda triangle."

Even before this latest setback, Wolfgang Sawallisch, the conductor who is to turn over the direction of the Bavarian State Opera to the English administrator Peter Jonas at the turn of the year, had protested that delays would jeopardize the prestigious Munich Opera Festival in 1993.

The ultimate costs will far exceed the \$24 million that must eventually be voted to eliminate the slime. Opera seasons are planned years in advance, and singers' contracts for 1992-1993 must be honored whether performances are given or not.

The orchestra, chorus and backstage technicians must be paid as well. There are plans for concert performances in halls throughout the city, but the drop in box-office income will still be considerable. Josefowski says one-third of the company's \$66 million annual income comes from ticket sales.

A complex legal investigation is under way to determine responsibility. But any insurance money that the company may receive is years away, Josefowski said.

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John Rockwell

LONDON THEATER

'Blue Angel,' Pre-Dietrich and Beyond Lola

By Sheridan Morley
International Herald Tribune

LONDON — Trevor Nunn's Royal Shakespeare Company production of "The Blue Angel" (at the Globe) has precious little to do with Marlene Dietrich or her classic 1930 movie of that title.

Instead, it goes back to the movie's original source, Heinrich Mann's 1905 novel "Professor Unrat" which focused not so much on the chilly nightclub singer as on the more complex figure of the schoolmaster who ends up as a clown, though not before he has become a gangster-leader of the Hamburg cabaret underground to revenge himself on those who have torn away his academic status as a reprisal for his passionate love of naughty Lola, the wisest girl on earth.

Borrowing a trick or two from Hal Prince's original staging of "Cabaret," Nunn gives us a whole world on a cabaret space: not just the upworldly mobile Lola, superbly and coldly played by Kelly Hunter, but also the vengeful mute Dieter (Peter-Hugo Daly) and the desperately cheerful master of ceremonies (Sidney Livingstone), shorn of any Broadway glamour and seen instead as a gallery of grotesques by Gross and Brecht and Weil, all of whom are carefully and consciously echoed by a multilayered staging.

But in the end, this is Philip Madoc's evening. As the professor, he moves from academic arrogance through sexual submission to master criminality and eventual, terrible, circus submission in a mastery account of the decline and rise and fall of a man around whom Germany was fighting out its social and sexual obsessions in the years immediately before Hitler.

"The Blue Angel" is not only the best new musical in town; in Pam Gemel's script and Maria Bjornson's settings, it is also a brilliant summary of all the themes of "Threepenny Opera" and "Cabaret" — and a reminder of the (principally) Friedrich Hollaender songs to which Dietrich was to return at the



Philip Madoc as the professor in Trevor Nunn's production of "The Blue Angel."

end of the career they had started. London is currently so starved of new plays about contemporary issues that Roy Kendall's "Body & Soul" deserves very much better than the rather grudging welcome it has received and the miserly promise of only a three-week run at the Albery.

True, its premise may at first seem a little far from your average Church of England experience. Into a hitherto quiet parish, within a religion still tearing itself apart over the vexed issue of women

priests, there erupts Christine. A year ago, she was a popular local vicar called Christopher. Twelve months of agonizing self-doubt, and several equally agonizing operations, have turned her into a woman, albeit still an ordained priest.

Can she continue her ministry as a female priest in a church that still refuses to admit them to full powers of sacrament, or can the church expel her despite her original ordination as a man?

To debate such thorny issues, the

director, Val May, has pulled together the most distinguished character-acting cast in town. Robert Hardy as the liberal bishop, Angela Thorne as his insecure feminist wife, Nicola Redmond as the sex-changed cleric, and Moray Watson and Peter Cellier as the conservative towers of Lambeth Palace — all turn in performances of considerable intelligence and complexity, so that the argument is allowed to range along all its possible avenues before a final and rather implausibly idealist

conclusion is reached. The play still bears fragmentary traces of its origins as an afternoon drama on BBC radio, as each character is introduced to symbolize one aspect of current ecclesiastical thinking in relation to the shock-horror of a sex change in the vestry.

But the focus of the evening is Hardy, who in an all too rare return to the London stage brilliantly captures the bishop in all the agony of his well-meaning indecision. "Body & Soul" is that currently endangered species, the well-made moral drama, and it needs to be encouraged and supported because of the reminder it brings of when the West End crackedled with such debates.

It may well be that hordes of sex-changed vicars are unlikely to bring Westminster Abbey rumbling to its foundations, and it may also well be that their scarcity will prevent them from having much influence on the Church of England's eventual decision about the possibility of a woman in the pulpit.

But there is a wry, elegant wit about "Body & Soul" that keeps the debate just broad enough to include several allied arguments about the role and power of women in one of the last great bastions of male supremacy. God the Father and Son may be one thing; God the Mother and Daughter has yet to achieve her place in religious instruction, and we have a longer way to go there than the hopeful conclusion would have us believe.

The spirit of Joe Orton is alive and well at Hampstead, where Philip Ridley's "The Fastest Clock in the Universe" is a weird, oddball series of power games played out in a derelict loft by two ill-assorted gays, a young Adonis and the girlfriend brings to a nightmarish parody. By the end, all illusions and several faces have been shattered.

A play about the destructive power of love loses its way periodically, but is nearly always retrieved by a strong cast (Con O'Neill, Emma Amos, Jonathan Coy) in a production of inventive, Sam Sheppardesque comic intensity by Matthew Lloyd.

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Iron Lady, Newly Gone Private, Has Magnetism for East's Apprentice Capitalists

By Barry James
International Herald Tribune

Hardly is the shingle nailed up on the door than the Margaret Thatcher Foundation is inundated with pleas from wannabe capitalists in Eastern Europe.

Although the Iron Lady's reputation has grown rusty at home, it still has a magical ring in the newly emerging free-market economies of the former Soviet Empire.

The foundation, recently established and running in Washington and London, aims to help small businesses get started in Eastern Europe. Later, it may extend its activities to the former Soviet Union, South Africa and perhaps further afield.

But already the requests for help have outstripped the capacities of the fledgling foundation, according to Julian Seymour, director of Mrs. Thatcher's private office.

"The foundation will raise considerable sums of money, but the level of expectation has been absurdly exaggerated," he said.

The foundation has no intention of taking equity stakes in the businesses it helps, Thatcher aides said.

Its aim is to help in training in the various aspects of running a business according to free-market principles.

"We aim, above all, not to compete with know-how funds and big governmental support for Eastern Europe but to put money, very often in small amounts, at the sharp end, at the grass roots," Mr. Seymour said.

"Mrs. Thatcher believes the foundation and support of small businesses is the base upon which proper free-market capitalist enterprises are built."

Mr. Seymour is always going to be greater than those resources which exist."

He said that estimates that the foundation has hundreds of millions of dollars to bestow are in the realm of fantasy.

"The emphasis is on small," he said, estimating that the foundation will tap benefactors for \$5 million to \$10 million by the end of this year.

The foundation has tentative plans to set up an office in Eastern Europe, possibly in Warsaw.

While Mrs. Thatcher prepares to join the ranks of Britain's political has-beens in the House of Lords, Mr. Gorbachev still appears to dream of returning to power in his country. In Japan last month, for example, he observed that President Charles de Gaulle was 68 when he returned to power in France, and added, "I am only 61, so I still have all my chances."

Political observers in the Soviet Union, however, say that Mr. Gorbachev has exhausted his credibility in Russia and stands virtually no chance of a comeback.

Within three weeks of being forced to resign as president of the disbanded Soviet Union, Mr. Gorbachev took over as head of the International Foundation for Social, Economic and Political Research in Moscow, which was founded by Alexander N. Yakovlev, his former chief economic aide.

The organization, which has been renamed the Gorbachev Foundation, is housed in the former school for international communist cadres, a massive building on Leningradski Prospekt in Moscow. It has its own hotel with Italian restaurant and about 160 staff members.

The foundation's aim is to become a training ground for political and economic leaders. Although Mr. Gorbachev said the organization would not be an "ivory tower" that is "occupied only with academic pursuits," he said there were no plans to endow it with a policy-making role.

Mr. Gorbachev, a private citizen with a pension of 4,000 rubles (\$44) a month and a three-room state apartment, has traveled to Japan, Germany and the United States in recent weeks, seeking backing for the foundation and \$75 million to create an American-style presidential library.

"That is not to say that we might not wish to cooperate with all sorts of things that he might wish to do in the future," Mr. Seymour said in London.

"But his foundation is in its infancy. So far as I understand, it doesn't yet have a full legal structure, which we do both here and in America. We may well cooperate in the future. But the idea that the two things might be merged and operate as joint entities, absolutely not."

Mr. Seymour's final message to aspiring capitalists in Eastern Europe was, "Don't call us, we'll call you."

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MEDIA MARKETS

Writing Ads to Reflect A Changing South Africa

By Judith D. Schwartz
New York Times Service
JOHANNESBURG — It is 5 P.M. on Tuesday, March 17, the turning point for South Africa when whites voted overwhelmingly to strike down apartheid...

Herbuoy's sees itself as uniquely positioned to reach the black public.

Since 1985, the combined spending power of nonwhites has exceeded that of whites. And with the vote, that trend is likely to accelerate.

QUALITY AT HOME in the boardroom and the shebeen (black speak) and township slangs, the principals seek to provide a link between predominantly white South African companies and the blacks who buy their products.

See HERBUOYS, Page 14

Franc Tugs on German Leash But Mark Still Anchors European Currencies

By Tom Redburn
International Herald Tribune
PARIS — Learning from an earlier mistake, the French found a slick new way this month to relax Germany's tight rein on its interest rates...

For all the provocative talk of throwing around France's newly found economic clout, officials in Paris understand that European monetary power remains firmly in the hands of the Bundesbank.

Some French analysts, however, appear to be overreacting to the successful maneuver, falling into the trap of believing their government's propaganda.

See FRANC, Page 13

Oil Shock Batters Securities Plan to Balance The U.S. Budget Comes at a Price

By Youssef M. Ibrahim
New York Times Service
WASHINGTON — The perception of a shift by Saudi Arabia to a policy favoring higher oil prices sent financial markets spinning on Tuesday...

Signaling displeasure with the European Community's plan to impose a gradual tax on oil that will start at \$3 a barrel this year...

See OIL, Page 10

Poland Goes Ad-Crazy, Sometimes Beyond Belief

By Stephen Engelberg
New York Times Service
WARSAW — The fight is on for the hearts and minds of Poland's consumers.

almost any message they found on television or in the newspapers. One of the first heavily advertised Western products...

It's a Roll of the Dice, Some Foreign Investors Find

By Mary Battista
Washington Post Service
WARSAW — Poland's parliament recently sent an odd — some say self-defeating — signal from a country desperately seeking foreign investment.

The legislation was rushed through committee and to a vote by the lower house, or Sejm, by sponsors from the Christian National Union party.

See POLAND, Page 11

Sony Fires Shot in New Technology War

By Steven Brill
International Herald Tribune
TOKYO — Kicking off the next great clash in consumer audio, Sony Corp. said Tuesday it would begin Japanese sales of its recordable MiniDisc audio system...

While many say they believe Sony's MiniDisc is part of an inevitable progression from tapes to disks and eventually to semiconductor-based media...

DCC's "backward compatibility," its ability to tap into the existing pool of billions of recorded cassettes, is its biggest advantage.

CURRENCY RATES

Table with columns: Country, Rate, Change. Includes entries for Australia, Canada, France, Germany, Italy, Japan, etc.

INTEREST RATES

Table with columns: Instrument, Rate, Yield. Includes entries for 1-month, 3-month, 6-month Treasury bills, etc.

Key Money Rates

Table with columns: Instrument, Rate, Yield. Includes entries for 1-month, 3-month, 6-month Treasury bills, etc.

Brazil's Embraer To Lay Off 30% Of Work Force

SAO PAULO — The financially troubled Embraer Brasileira de Aeronautica, Latin America's largest aviation company, said Tuesday that it would fire 30 percent of its work force.

Local Government Economic Services Ltd. (Israel)

is holding a Pre-Qualification (PQ) Selection for companies who will be invited to submit proposals for the erection / erection financing / operation of TIBERIAS Water Treatment Plant.

U.S. Money Market Funds

Table with columns: Fund Name, Assets, Yield. Includes entries for Merrill Lynch Bond Assets, etc.

GOLD

Table with columns: Instrument, Price, Change. Includes entries for Gold, Silver, etc.

Vertical banner for 'Capitalists' with various financial and real estate advertisements.

Advertisement for 'Lottery Charity Fund Licence' with contact information and details.

Advertisement for 'Apache International Finance N.V.' with details on convertible subordinated guaranteed debentures.

MARKET DIARY

Dollar Fails to Advance Despite Positive Data

NEW YORK — The dollar ended mostly lower on Tuesday, failing to draw much support from a stream of news that ought to have helped it.

The dollar fell to 1.6128 Deutsche marks, from 1.6155 on Friday. The market was closed Monday for Memorial Day.

The pound rose to \$1.8250, from \$1.8155, but the dollar edged up to 129.50 yen, from 129.25.

Reports of rising consumer confidence and automobiles sales plus a surge in oil prices that seemed to buoy chances of a Federal Reserve short-term interest-rate cut failed to bolster the U.S. currency.

With all the good news you'd think the dollar would show a big gain," said Paul Farrell, vice president of Chase Manhattan.

Earlier in London, the dollar also slipped from its Friday levels, but it recovered from its deepest losses on investor interest. The dollar fell to 1.6118 DM, from 1.6180 on Friday and to 129.355 yen, from 129.400.

Investors, not dealers, helped the dollar's partial recovery. After it fell to about 1.6090 DM, buyers stepped in. "There is a lot of appetite in the 1.60 area from investors with a longer-term view who consider the dollar as undervalued on every normal comparative criteria," said a currency manager at a U.S. bank, citing purchasing-power parity as one criterion.

Analysts said the dollar remained pressured by the 6 percentage point short-term interest-rate premium the mark holds over it. Bundesbank officials indicated a currency rate cut was not to be expected in the near future. (Reuters, UPI, Bloomberg)

Foreign Exchange

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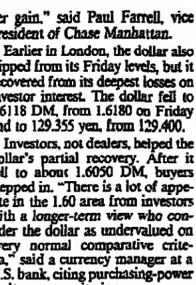
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Dow Jones Averages

Table with columns: Index, Open, High, Low, Last, Chg.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Close, Chg.

NYSE Indexes

Table with columns: Index, High, Low, Close, Chg.

NASDAQ Indexes

Table with columns: Index, High, Low, Close, Chg.

AMEX Stock Index

Table with columns: High, Low, Close, Chg.

Dow Jones Bond Averages

Table with columns: Index, Close, Chg.

Market Sales

Table with columns: Index, Volume, Value.

AMEX Most Actives

Table with columns: Symbol, Vol, High, Low, Last, Chg.

NYSE Diary

Table with columns: Symbol, Close, Prev.

Amex Diary

Table with columns: Symbol, Close, Prev.

NASDAQ Diary

Table with columns: Symbol, Close, Prev.

EUROPEAN FUTURES

Table with columns: Class, High, Low, Prev, Close, Change.

Food

Table with columns: Symbol, High, Low, Prev, Close, Change.

Metals

Table with columns: Symbol, High, Low, Prev, Close, Change.

Stock Indexes

Table with columns: Symbol, High, Low, Prev, Close, Change.

Financial

Table with columns: Symbol, High, Low, Prev, Close, Change.

S&P 100 Index Options

Table with columns: Symbol, Bid, Ask, Last, Chg.

U.S. FUTURES

Table with columns: Symbol, Open, High, Low, Close, Chg.

Grains

Table with columns: Symbol, Open, High, Low, Close, Chg.

Metals

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Livestock

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Financial

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Stock Indexes

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Commodity Indexes

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U.S. Home Sales Rose 6% in April

WASHINGTON (Reuters) — Sales of existing U.S. homes rose 6 percent in April from a year earlier, as buyers took advantage of low interest rates, relatively stable prices and a plentiful supply of homes, the National Association of Realtors said Tuesday.

The across-the-board rise in the home resale market is "a sure sign that housing is doing its job to fuel growth in the rest of the economy," said Douglas Helman, president of the realtors group.

April marked the eighth consecutive month of annual increases in home resale activity, according to the report. The number of home resales rose to 317,000 units, from 299,000 in April 1991.

DETROIT (UPI) — Powered by a 14.4 percent surge in light truck sales, U.S. car and truck manufacturers on Tuesday reported a 7 percent increase in vehicle sales for mid-May.

The trend also pushed year-to-date sales by the 12 domestic car and truck makers up 6.1 percent, largely because of a 14.2 percent increase in truck sales.

For May 11-20, combined domestic car and light truck sales totaled 333,116, or 37,013 per day, up from 276,716, or 34,590 on a daily basis in 1991. The 1992 period had nine selling days, compared with eight in 1991.

General Motors Corp. said Tuesday that it would sell its Chevrolet cars and trucks through a distributor in Estonia, its first marketing of North American-built vehicles in the Baltic states. (AP)

OIL: Price Rise Hits Bonds, Stocks

(Continued from first finance page) or OPEC producers appear to be willing to let oil prices move up, Gulf officials indicated.

For Saudi Arabia, the world's largest producer, this represents a fundamental shift from its previous insistence on moderate prices, but American consumers, which could also be inflationary.

The bellwether Treasury 30-year issue lost 1/4 point, raising its yield to 7.92 percent, from 7.83 percent on Friday. The U.S. financial markets were closed on Monday for Memorial Day.

In the stock market, the effect on the Dow Jones industrial average was muted because three of its 30 components are oil company stocks. The blue-chip index was down 22.56 points, to 3,364.21, with the oil shares keeping the decline subdued at 0.67 percent of the index's value.

A more telling drop was in the energy-price-sensitive Dow transportation index, which fell 15.69 points, or 1.14 percent, to 1,360.80.

Declining issues on the New York Stock Exchange outnumbered advanced by a 2-to-1 ratio. Halliburton paced the Big Board advances, rising 3/4 to 30. Exxon followed, climbing 3/4 to 64. Occidental Petroleum was third, up 1/4 to 23.

Goodyear Tire, down 3, to 68 3/4, and Philip Morris, off 1/4 to 74 1/4, accounted for almost half of the Dow industrial decline. (UPI, Bloomberg, Reuters, AP)

DEFICIT: Plan to Balance Budget Comes With Price

(Continued from first finance page) alone in stressing the magnitude of costs involved. A recent study by Wharton Economics Forecasting Associates concluded that state and local governments' operating deficits would soar under a balanced-budget amendment as federal unemployment would rise.

A number of economists, however, say a balanced budget is both desirable and achievable within the next five years. Several point out that the U.S. economy has tolerated other massive reductions in government spending, as it did immediately after World War II.

C. Eugene Steuerle, a senior economist with the Urban Institute, contends that opponents of the amendment have exaggerated the potential harm to the economy. He said that even a \$50 billion year reduction in government spending would represent less than 1 percent of the gross national product.

On Wall Street, oil company shares got a boost from the crude price surge, which increased the value of their petroleum reserves and energy products, news agencies reported from New York.

"Oil stocks are doing great," said John Blair, head trader at County NatWest Securities. "Everything else is doing terribly."

That included U.S. government bonds, which slumped on concerns about higher oil prices and a report of increased confidence among Wall Street Battered

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WORLD STOCK MARKETS

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Revlon Will Try to Go Public Again

NEW YORK (Combined Dispatches) — Revlon Inc. filed Tuesday for government approval to sell 20 million shares of common stock, ending nearly a year of speculation over whether the company would become publicly owned again.

In a filing with the Securities and Exchange Commission, Revlon sought permission to sell an initial public offering of 20 million shares in its newly formed subsidiary, New Revlon Inc., to raise as much as \$500 million. Revlon said proceeds would be used to pay down debt.

Under terms outlined in the SEC filing, Revlon will reorganize its cosmetics and skin-care, fragrance and personal-care products under the New Revlon name. A few unspecified assets and liabilities will remain under the heading Revlon Inc.

Revlon was taken private in 1985 in a \$2.5 billion leveraged buyout engineered by Ronald O. Perleman.

Court Bars Tax on Mail-Order Sales

WASHINGTON (Combined Dispatches) — The U.S. Supreme Court said Tuesday that states could not force out-of-state mail-order companies to charge sales tax on purchases generated within their borders. But the court left the door open for Congress to change the law.

The justices, by an 8-to-1 vote, overturned a North Dakota Superior Court ruling that upheld the state's mail-order tax, saying the measure unconstitutionally interfered with interstate commerce.

But Justice John Paul Stevens wrote in the majority opinion Congress was free to change the law and let states impose sales and taxes on mail-order retailers. (Reuters, Bloomberg)

Consumer Confidence Rises Strongly

NEW YORK (HT) — Confidence among consumers in the future of the U.S. economy is growing at a rate that "leaves little doubt" that the economy is at long last recovering," the Conference Board said Tuesday.

The board said its index of consumer confidence rose to 71.6 in May, up 6.6 points from April and the third successive strong monthly gain. The index has gained 24 points since February, mainly in the component showing increasing optimism for the future, which rose 32 points.

Consumers' assessment of present conditions nevertheless remains low, with 39.5 percent of respondents indicating that business was bad and 40 percent that jobs were hard to get.

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For the Record

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U.S. / AT THE CLOSE

Will Try to Go Public Again

Confidence Rises Strong

Sales Rose 6% in April

Sales Rise 7% Trucks Surge

Record

NASDAQ

Monday's Prices
NASDAQ prices as of 4:00 p.m. New York time. The list is compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

| Symbol | Price | % Chg | Volume |
|--------|--------|-------|--------|
| AA | 10 1/4 | + | 100 |
| ABC | 12 1/2 | + | 200 |
| ABX | 15 3/4 | + | 150 |
| AC | 18 1/4 | + | 300 |
| ACC | 20 1/2 | + | 400 |
| ACD | 22 3/4 | + | 500 |
| ACE | 25 1/4 | + | 600 |
| ACF | 27 3/4 | + | 700 |
| ACG | 30 1/4 | + | 800 |
| ACH | 32 3/4 | + | 900 |
| ACI | 35 1/4 | + | 1000 |

| Symbol | Price | % Chg | Volume |
|--------|--------|-------|--------|
| ACJ | 37 3/4 | + | 1100 |
| ACK | 40 1/4 | + | 1200 |
| ACL | 42 3/4 | + | 1300 |
| ACM | 45 1/4 | + | 1400 |
| ACN | 47 3/4 | + | 1500 |
| ACO | 50 1/4 | + | 1600 |
| ACP | 52 3/4 | + | 1700 |
| ACQ | 55 1/4 | + | 1800 |
| ACR | 57 3/4 | + | 1900 |
| ACS | 60 1/4 | + | 2000 |

| Symbol | Price | % Chg | Volume |
|--------|--------|-------|--------|
| ACT | 62 3/4 | + | 2100 |
| ACU | 65 1/4 | + | 2200 |
| ACV | 67 3/4 | + | 2300 |
| ACW | 70 1/4 | + | 2400 |
| ACX | 72 3/4 | + | 2500 |
| ACY | 75 1/4 | + | 2600 |
| ACZ | 77 3/4 | + | 2700 |
| ADA | 80 1/4 | + | 2800 |
| ADB | 82 3/4 | + | 2900 |
| ADC | 85 1/4 | + | 3000 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADD | 87 3/4 | + | 3100 |
| ADG | 90 1/4 | + | 3200 |
| ADI | 92 3/4 | + | 3300 |
| ADJ | 95 1/4 | + | 3400 |
| ADK | 97 3/4 | + | 3500 |
| ADL | 100 1/4 | + | 3600 |
| ADM | 102 3/4 | + | 3700 |
| ADN | 105 1/4 | + | 3800 |
| ADO | 107 3/4 | + | 3900 |
| ADP | 110 1/4 | + | 4000 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADQ | 112 3/4 | + | 4100 |
| ADR | 115 1/4 | + | 4200 |
| ADS | 117 3/4 | + | 4300 |
| ADT | 120 1/4 | + | 4400 |
| ADU | 122 3/4 | + | 4500 |
| ADV | 125 1/4 | + | 4600 |
| ADW | 127 3/4 | + | 4700 |
| ADX | 130 1/4 | + | 4800 |
| ADY | 132 3/4 | + | 4900 |
| ADZ | 135 1/4 | + | 5000 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADAA | 137 3/4 | + | 5100 |
| ADAB | 140 1/4 | + | 5200 |
| ADAC | 142 3/4 | + | 5300 |
| ADAD | 145 1/4 | + | 5400 |
| ADAE | 147 3/4 | + | 5500 |
| ADAF | 150 1/4 | + | 5600 |
| ADAG | 152 3/4 | + | 5700 |
| ADAH | 155 1/4 | + | 5800 |
| ADAI | 157 3/4 | + | 5900 |
| ADAJ | 160 1/4 | + | 6000 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADAK | 162 3/4 | + | 6100 |
| ADAL | 165 1/4 | + | 6200 |
| ADAM | 167 3/4 | + | 6300 |
| ADAN | 170 1/4 | + | 6400 |
| ADAO | 172 3/4 | + | 6500 |
| ADAP | 175 1/4 | + | 6600 |
| ADAQ | 177 3/4 | + | 6700 |
| ADAR | 180 1/4 | + | 6800 |
| ADAS | 182 3/4 | + | 6900 |
| ADAT | 185 1/4 | + | 7000 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADAU | 187 3/4 | + | 7100 |
| ADAV | 190 1/4 | + | 7200 |
| ADAW | 192 3/4 | + | 7300 |
| ADAX | 195 1/4 | + | 7400 |
| ADAY | 197 3/4 | + | 7500 |
| ADAZ | 200 1/4 | + | 7600 |
| ADBA | 202 3/4 | + | 7700 |
| ADBB | 205 1/4 | + | 7800 |
| ADBC | 207 3/4 | + | 7900 |
| ADBD | 210 1/4 | + | 8000 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADBE | 212 3/4 | + | 8100 |
| ADBF | 215 1/4 | + | 8200 |
| ADBG | 217 3/4 | + | 8300 |
| ADBH | 220 1/4 | + | 8400 |
| ADBI | 222 3/4 | + | 8500 |
| ADBJ | 225 1/4 | + | 8600 |
| ADBK | 227 3/4 | + | 8700 |
| ADBL | 230 1/4 | + | 8800 |
| ADBM | 232 3/4 | + | 8900 |
| ADBN | 235 1/4 | + | 9000 |

AMEX

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

| Symbol | Price | % Chg | Volume |
|--------|--------|-------|--------|
| AA | 10 1/4 | + | 100 |
| ABC | 12 1/2 | + | 200 |
| ABX | 15 3/4 | + | 150 |
| AC | 18 1/4 | + | 300 |
| ACC | 20 1/2 | + | 400 |

| Symbol | Price | % Chg | Volume |
|--------|--------|-------|--------|
| ACD | 22 3/4 | + | 500 |
| ACE | 25 1/4 | + | 600 |
| ACF | 27 3/4 | + | 700 |
| ACG | 30 1/4 | + | 800 |
| ACH | 32 3/4 | + | 900 |
| ACI | 35 1/4 | + | 1000 |

| Symbol | Price | % Chg | Volume |
|--------|--------|-------|--------|
| ACJ | 37 3/4 | + | 1100 |
| ACK | 40 1/4 | + | 1200 |
| ACL | 42 3/4 | + | 1300 |
| ACM | 45 1/4 | + | 1400 |
| ACN | 47 3/4 | + | 1500 |
| ACO | 50 1/4 | + | 1600 |

| Symbol | Price | % Chg | Volume |
|--------|--------|-------|--------|
| ACP | 52 3/4 | + | 1700 |
| ACQ | 55 1/4 | + | 1800 |
| ACR | 57 3/4 | + | 1900 |
| ACS | 60 1/4 | + | 2000 |
| ACT | 62 3/4 | + | 2100 |
| ACU | 65 1/4 | + | 2200 |

| Symbol | Price | % Chg | Volume |
|--------|--------|-------|--------|
| ACV | 67 3/4 | + | 2300 |
| ACW | 70 1/4 | + | 2400 |
| ACX | 72 3/4 | + | 2500 |
| ACY | 75 1/4 | + | 2600 |
| ACZ | 77 3/4 | + | 2700 |
| ADA | 80 1/4 | + | 2800 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADG | 90 1/4 | + | 3200 |
| ADI | 92 3/4 | + | 3300 |
| ADJ | 95 1/4 | + | 3400 |
| ADK | 97 3/4 | + | 3500 |
| ADL | 100 1/4 | + | 3600 |
| ADM | 102 3/4 | + | 3700 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADN | 105 1/4 | + | 3800 |
| ADO | 107 3/4 | + | 3900 |
| ADP | 110 1/4 | + | 4000 |
| ADQ | 112 3/4 | + | 4100 |
| ADR | 115 1/4 | + | 4200 |
| ADS | 117 3/4 | + | 4300 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADT | 120 1/4 | + | 4400 |
| ADU | 122 3/4 | + | 4500 |
| ADV | 125 1/4 | + | 4600 |
| ADW | 127 3/4 | + | 4700 |
| ADX | 130 1/4 | + | 4800 |
| ADY | 132 3/4 | + | 4900 |
| ADZ | 135 1/4 | + | 5000 |
| ADA | 137 3/4 | + | 5100 |
| ADB | 140 1/4 | + | 5200 |
| ADC | 142 3/4 | + | 5300 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADD | 145 1/4 | + | 5400 |
| ADG | 147 3/4 | + | 5500 |
| ADI | 150 1/4 | + | 5600 |
| ADJ | 152 3/4 | + | 5700 |
| ADK | 155 1/4 | + | 5800 |
| ADL | 157 3/4 | + | 5900 |
| ADM | 160 1/4 | + | 6000 |
| ADN | 162 3/4 | + | 6100 |
| ADO | 165 1/4 | + | 6200 |
| ADP | 167 3/4 | + | 6300 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADQ | 170 1/4 | + | 6400 |
| ADR | 172 3/4 | + | 6500 |
| ADS | 175 1/4 | + | 6600 |
| ADT | 177 3/4 | + | 6700 |
| ADU | 180 1/4 | + | 6800 |
| ADV | 182 3/4 | + | 6900 |
| ADW | 185 1/4 | + | 7000 |
| ADX | 187 3/4 | + | 7100 |
| ADY | 190 1/4 | + | 7200 |
| ADZ | 192 3/4 | + | 7300 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADAA | 195 1/4 | + | 7400 |
| ADAB | 197 3/4 | + | 7500 |
| ADAC | 200 1/4 | + | 7600 |
| ADAD | 202 3/4 | + | 7700 |
| ADAE | 205 1/4 | + | 7800 |
| ADAF | 207 3/4 | + | 7900 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADAG | 210 1/4 | + | 8000 |
| ADAH | 212 3/4 | + | 8100 |
| ADAI | 215 1/4 | + | 8200 |
| ADAJ | 217 3/4 | + | 8300 |
| ADAK | 220 1/4 | + | 8400 |
| ADAL | 222 3/4 | + | 8500 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADAM | 225 1/4 | + | 8600 |
| ADAN | 227 3/4 | + | 8700 |
| ADAO | 230 1/4 | + | 8800 |
| ADAP | 232 3/4 | + | 8900 |
| ADAQ | 235 1/4 | + | 9000 |
| ADAR | 237 3/4 | + | 9100 |
| ADAS | 240 1/4 | + | 9200 |
| ADAT | 242 3/4 | + | 9300 |
| ADAU | 245 1/4 | + | 9400 |
| ADAV | 247 3/4 | + | 9500 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADAW | 250 1/4 | + | 9600 |
| ADAX | 252 3/4 | + | 9700 |
| ADAY | 255 1/4 | + | 9800 |
| ADAZ | 257 3/4 | + | 9900 |
| ADBA | 260 1/4 | + | 10000 |
| ADBB | 262 3/4 | + | 10100 |
| ADBC | 265 1/4 | + | 10200 |
| ADBD | 267 3/4 | + | 10300 |
| ADBE | 270 1/4 | + | 10400 |
| ADBF | 272 3/4 | + | 10500 |

| Symbol | Price | % Chg | Volume |
|--------|---------|-------|--------|
| ADBG | 275 1/4 | + | 10600 |
| ADBH | 277 3/4 | + | 10700 |
| ADBI | 280 1/4 | + | 10800 |
| ADBJ | 282 3/4 | + | 10900 |
| ADBK | 285 1/4 | + | 11000 |
| ADBL | 287 3/4 | + | 11100 |
| ADBM | 290 1/4 | + | 11200 |
| ADBN | 292 3/4 | + | 11300 |
| ADBO | 295 1/4 | + | 11400 |
| ADBP | 297 3/4 | + | 11500 |

Sales Hours are unofficial. Yearly high and low reflect the previous 52 weeks plus the current week, but not the listing date. Where a call or stock dividend amounting to 25% or more has been made, the new stock only. Unless otherwise noted, all dividends are annual or semi-annual payments based on the latest declaration.

0 - Dividend paid in stock.

1 - Dividend declared after split-up or stock dividend.

2 - Dividend declared or paid in preceding 12 months.

3 - Dividend in Canadian funds, subject to 1% non-residence tax.

4 - Dividend declared after split-up or stock dividend.

5 - Dividend declared or paid in preceding 12 months.

6 - New issue in the past 52 weeks. The high-low range bears with the stock's trading.

7 - Dividend declared or paid in preceding 12 months, plus stock dividend.

8 - Dividend paid in stock, in preceding 12 months estimated cash value on ex-dividend or ex-distribution date.

9 - Dividend declared or paid in preceding 12 months, plus stock dividend.

10 - Dividend declared or paid in preceding 12 months, plus stock dividend.

11 - Dividend declared or paid in preceding 12 months, plus stock dividend.

12 - Dividend declared or paid in preceding 12 months, plus stock dividend.

13 - Dividend declared or paid in preceding 12 months, plus stock dividend.

14 - Dividend declared or paid in preceding 12 months, plus stock dividend.

15 - Dividend declared or paid in preceding 12 months, plus stock dividend.

16 - Dividend declared or paid in preceding 12 months, plus stock dividend.

17 - Dividend declared or paid in preceding 12 months, plus stock dividend.

18 - Dividend declared or paid in preceding 12 months, plus stock dividend.

19 - Dividend declared or paid in preceding 12 months, plus stock dividend.

20 - Dividend declared or paid in preceding 12 months, plus stock dividend.

21 - Dividend declared or paid in preceding 12 months, plus stock dividend.

22 - Dividend declared or paid in preceding 12 months, plus stock dividend.

23 - Dividend declared or paid in preceding 12 months, plus stock dividend.

24 - Dividend declared or paid in preceding 12 months, plus stock dividend.

25 - Dividend declared or paid in preceding 12 months, plus stock dividend.

Eurotunnel Bankruptcy Broached by Bouygues

Compiled by Our Staff From Dispatches

PARIS — Martin Bouygues, chief executive of the Bouygues SA construction company, suggested Tuesday that the bankruptcy of Eurotunnel might be needed to unblock a dispute with the consortium building the Channel tunnel.

Bouygues is one of the 10 construction companies in the Trans Manche link consortium, which is building the tunnel for Eurotunnel, the British-French company that will own it. Eurotunnel was ordered in March to triple its monthly payments to the builders, to £75 million (\$136.2 million), because of a dispute involving cost overruns incurred in part to meet revised safety regulations. Eurotunnel has appealed the ruling.

Mr. Bouygues said the talks were "almost dead," and a bankruptcy of Eurotunnel should be considered.

As to the possibility of paying TML demands on Eurotunnel in the form of shares, Mr. Bouygues said "Why not? We are very conciliatory."

On the Paris Bourse, Eurotunnel SA fell to 37.85 francs (\$6.98) a share, down 50 centimes. Traders said the remarks by Mr. Bouygues undoubtedly hurt the stock. Eurotunnel refused to comment on the statements.

Stock in Bouygues, meanwhile, slid 11 francs a share, to 637 francs, in Paris. The stock was hurt by Monday's announcement that the company would issue 1.7 million shares at 610 francs each. But although the funds are meant to help Bouygues develop and diversify, an executive said the company would not buy all of Elbo Bau AG, as has been rumored.

(Bloomberg, Reuters, AFP, AFX)

Italian Cabinet Extends Curbs On Spending

Reuters

ROME — Italy's caretaker cabinet, stung by criticism from the European Community, on Tuesday extended restrictions on public spending in a series of stopgap measures to freeze a soaring state deficit.

The government ordered local authorities to hold down new investment and current spending, excluding salaries and pensions, for three more months beyond the end of June, said Nino Cristofori, the cabinet secretary.

The measures were announced as the Treasury released first-quarter figures showing that Italy's public-sector deficit was growing 23 percent faster than in 1991.

Waigel Rejects Setting Up a Fund To Help Nations Meet EC Standards

By Richard E. Smith
International Herald Tribune

FRANKFURT — Finance Minister Theo Waigel of Germany strongly rejected Tuesday suggestions that any fund be set up to help laggard countries meet the strict criteria of the European Community's planned economic and monetary union.

Germany, long the major paymaster of the EC, is now severely strained by the costs of reunification and has become more vocal in its attacks on expensive projects designed to promote EC unity.

Speaking at a business conference, Mr. Waigel said that "it would even be counterproductive" to give aid to promote economic convergence of the richer and poorer EC members.

He said that the states needed "undiluted pressure" to put through difficult reforms.

"Convergence cannot be subsidized, but must rather be brought about over the middle term through decisive economic success," he said.

There have recently been calls for a "convergence" fund to help poorer EC member countries such as Portugal, Spain, Greece and Ireland meet the ambitious economic goals set out in December at the EC summit in Maastricht, the Netherlands.

Those goals, notably limits on inflation and budget deficits, must be met before a country can enter the single-currency monetary union to be set up in 1999 at the latest.

Mr. Waigel noted that a "cohesion" fund had been agreed in Maastricht to help countries with environmental and infrastructure projects. But he said this fund was oriented toward specific projects

Investor's Europe

| Exchange | Index | Tuesday Close | Prev. Close | % Change |
|-----------|--------------------|---------------|-------------|----------|
| Amsterdam | CBS Trend | 130.90 | 131.00 | -0.08 |
| Brussels | Stock Index | 5,926.97 | 5,885.09 | +0.71 |
| Frankfurt | DAX | 1,806.65 | 1,811.57 | -0.27 |
| Frankfurt | FAZ | 725.26 | 725.01 | +0.03 |
| Helsinki | HEX | 843.62 | 842.77 | +0.10 |
| London | Financial Times 30 | 2,138.60 | 2,149.70 | -0.52 |
| London | FTSE 100 | 2,704.60 | 2,715.00 | -0.38 |
| Madrid | General Index | 258.60 | 258.70 | -0.04 |
| Milan | MIB | 981.00 | 981.00 | Unch. |
| Paris | CAC 40 | 2,029.58 | 2,046.25 | -0.81 |
| Stockholm | Affarsvarlden | 1,096.99 | 1,103.83 | -0.62 |
| Vienna | Stock Index | 447.65 | 445.27 | +0.53 |
| Zurich | SBS | 670.70 | 669.00 | +0.25 |

Sources: Reuters, AFP

NYSE

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

| Symbol | Close | Change | High | Low |
|------------------|--------|--------|--------|--------|
| IBM | 123.25 | +0.12 | 123.50 | 123.00 |
| Microsoft | 68.12 | -0.05 | 68.50 | 67.75 |
| Apple | 45.80 | +0.10 | 46.00 | 45.60 |
| Oracle | 32.15 | -0.08 | 32.50 | 31.80 |
| Sun | 28.90 | +0.05 | 29.00 | 28.75 |
| HP | 42.50 | -0.15 | 43.00 | 42.20 |
| Motorola | 55.30 | +0.18 | 55.75 | 54.85 |
| Northern Telecom | 11.20 | -0.02 | 11.30 | 11.10 |
| WorldCom | 18.75 | +0.12 | 19.00 | 18.50 |
| Verizon | 22.40 | -0.05 | 22.75 | 22.15 |
| Qwest | 15.60 | +0.08 | 15.80 | 15.40 |
| Sprint | 12.30 | -0.03 | 12.50 | 12.10 |
| Telefonica | 10.80 | +0.05 | 11.00 | 10.60 |
| Telecom Italia | 9.50 | -0.02 | 9.70 | 9.30 |
| Telecom France | 8.20 | +0.04 | 8.40 | 8.00 |
| Telecom UK | 7.10 | -0.01 | 7.20 | 7.00 |
| Telecom Spain | 6.50 | +0.03 | 6.70 | 6.30 |
| Telecom Portugal | 5.80 | -0.02 | 6.00 | 5.60 |
| Telecom Greece | 5.20 | +0.01 | 5.40 | 5.00 |
| Telecom Ireland | 4.60 | -0.01 | 4.80 | 4.40 |
| Telecom Italy | 4.00 | +0.02 | 4.20 | 3.80 |
| Telecom France | 3.50 | -0.01 | 3.60 | 3.40 |
| Telecom UK | 3.00 | +0.01 | 3.10 | 2.90 |
| Telecom Spain | 2.50 | -0.01 | 2.60 | 2.40 |
| Telecom Portugal | 2.00 | +0.01 | 2.10 | 1.90 |
| Telecom Greece | 1.50 | -0.01 | 1.60 | 1.40 |
| Telecom Ireland | 1.00 | +0.01 | 1.10 | 0.90 |
| Telecom Italy | 0.50 | -0.01 | 0.60 | 0.40 |
| Telecom France | 0.40 | +0.01 | 0.50 | 0.30 |
| Telecom UK | 0.30 | -0.01 | 0.40 | 0.20 |
| Telecom Spain | 0.20 | +0.01 | 0.30 | 0.10 |
| Telecom Portugal | 0.10 | -0.01 | 0.20 | 0.00 |

Table with multiple columns of stock market data, including various international indices and individual stock prices.

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FRANC: Strong, Not Strongest

(Continued from first finance page)

England was able to push down interest rates on May 5. Ireland followed suit. All this came despite continued insistence by the Bundesbank that it would not ease rates until German inflation was clearly under control.

Jean-Claude Trichet, France's top Treasury official, recently pointed to the British and French examples as evidence that there was more flexibility than generally believed to adjust interest rates within the constraints of the EMS.

"The virtues of France are growing," said David Roche, international market strategist at Morgan Stanley & Co. in London. "No longer does every move in German interest rates have to be replicated in French interest rates. But the room for maneuver is narrow."

The extra wiggle room, however limited, has already produced one significant side-effect. It has quieted, at least for now, talk of a major currency realignment in Europe.

"There has been much discussion about realignment, but the reality seems to be that most governments are already essentially committed to a fixed rate system," said Peter Piesch, chief economist at Commerzbank in Frankfurt.

If there is a realignment before the European Community enters stage two of its economic and monetary union in 1994, many analysts now contend that the most likely candidates for devaluation are the Italian lira and the Portuguese escudo. The established levels of the mark, the French franc, and the British pound are unlikely to change, even when the pound moves to a narrow, 2.5 percent fluctuation band within the EMS, from the 6 percent by which it is now allowed to vary against the central rate.

Paris, despite its embrace of orthodox economic policies a decade ago, is still in no position to move ahead of Germany on its own. Although inflation in France is significantly below Germany's, the French still pay slightly higher interest rates.

"We all over-reacted with a smug sense of satisfaction to seeing the Germans in trouble, the French most of all," a British economic official said. "But markets still have more confidence in the proper management of the German economy than in the French. That's the situation, whether Paris likes it or not."

Economy Perks Up

The French economy grew faster than expected in the first three months of this year, Reuters reported, citing government figures.

The National Statistics Office said gross domestic product grew 1.1 percent in the first quarter after showing flat growth in the previous quarter. Finance Minister Michel Sapin said the figures indicated growth would exceed government forecasts for the whole of 1992.

Very briefly:

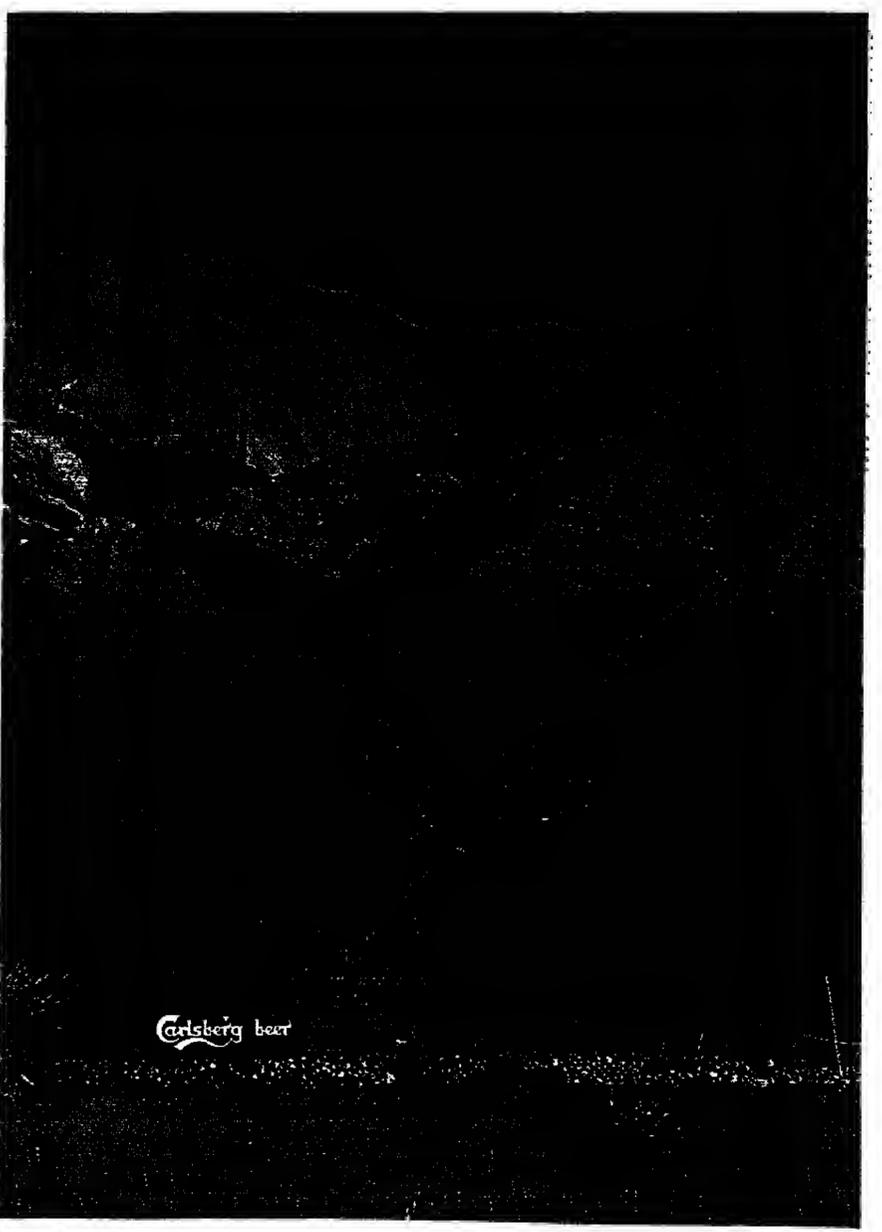
- Deutsche Aerospace AG, a unit of Daimler-Benz AG, said it hoped to complete the acquisition of 51 percent of the Dutch aircraft maker Fokker NV by mid-June.
 - L. M. Ericsson said it had won an order to extend a mobile-telephone network in Guangdong, China, worth 250 million kroner (\$39.5 million).
 - Bouygues SA, the French builder, expects a rise in 1992 net attributable profit from the 635 million francs (\$117 million) it posted in 1991, Chairman Martin Bouygues said.
 - Klöckner-Humboldt-Deutz AG, a German engineering and agro-machinery maker, announced a 1991 group operating profit of 51.9 million Deutsche marks (\$32.2 million), down from 80.8 million DM the previous year.
 - Matra MHS, a joint subsidiary of Matra and the Daimler-Benz unit AEG, appointed Michel Desbard chairman and managing director, replacing Guy Dumas, who becomes honorary president.
 - The Belgium Futures and Options Exchange is to launch trading in its first two options on Petrofina SA and Delhaize Freres et Co. 'Le Lion' SA shares on June 12, said Belfox's general manager, Jos Schmitt.
 - Thyssen AG, the German steelmaker, said net profit fell 10.5 percent, to 203 million DM, in the six months to the end of March, from 227 million DM in the like period a year earlier.
 - Electrolux AB, the Swedish appliances maker, posted operating profit of 618 million kroner (\$105.8 million) for the first quarter, down 180 million kroner from the like period a year earlier, on sales that grew 2 percent, to 19.46 billion kroner.
- Reuters, AFP, AFX

Ultramar Sale Estimate Is Boosted

Reuters

LONDON — Lasmco PLC on Tuesday raised by \$30 million its estimate of expected income from the spin-off of North American refining and marketing operations it acquired in the takeover of Ultramar PLC last year.

The oil company raised its estimate for the equity part of the offering to between \$590 million and \$680 million. Projected proceeds of a debt portion of the offering remain at \$400 million, and Ultramar is to repay \$80 million of debt to Lasmco, making the estimated income \$1.07 billion to \$1.16 billion.



Probably the best beer in the world.

كازاخان الاصل

U.S. Commerce Chief Says Trade Pie Must Grow

Barbara H. Franklin, a former management consultant who has been a director of several major American corporations, was recently named to be the U.S. secretary of commerce. She spoke about trade issues with Tom Redburn of the International Herald Tribune last week in Paris during the meeting of the Organization for Economic Cooperation and Development.

Q. Despite the serious economic problems facing industrial nations, OECD policymakers seem to be spinning their wheels these days. Why the inertia?

A. The world is a lot more complicated right now. So any multilateral organization takes time to rethink itself and to deal with the changes. But I do think some important things happened here. There was a pretty strong statement on growth, and that has been one of our points for a long time. We're now in an era where it is economic competition that is the bottom line rather than military competition. So in order for us all to flourish economically, we have to keep the size of the pie growing.

Q. But when you look at one of the issues economic officials have identified as key to sustaining growth, a global trade agreement, nothing has happened yet. Why?

A. What I said, and what everybody around the table said, is that we really

have to get a GATT agreement done. The question is, how do you do it? Frankly, I was surprised by what my colleague from the European Community [Frans Andriessen, the EC external affairs and trade commissioner] was quoted as having said. He laid the entire blame for a lack of resolution on the United States. This is just not true. Everybody knows the stumbling block has been agricultural sub-

'We're better at some things, innovation and entrepreneurship, than anybody else.'

Barbara H. Franklin, U.S. commerce secretary.

sidies, and that is primarily on the part of the European Community, not the United States. I was quite disappointed. We want an agreement, and the sooner the better.

Q. The United States has had a significant turnaround in trade in the last few years, with a remarkable increase in exports. Why do you think that is?

A. There is increasing recognition on the part of business that we are in a worldwide economy. I've sat in boardrooms over the last decade or so and watched American

companies restructure, pare down, cut down excessive layers of management and hierarchy, and that was a direct response to global competition. We're now starting to see the results of that restructuring in energized competition. But we still have a lot of room for improvement.

Q. What is the role of the Commerce Department in this transformation?

A. Our role is to do everything we can from the government side to make that happen. Business has got to do it, of course. We don't operate the way some other governments do. We really believe in free and fair trade, so we don't get into government subsidies that distort the playing field. But government can be in partnership in business, particularly with small and medium-sized business that might not have the knowledge of what it takes to be involved in exporting to different markets.

Q. In the countries of Eastern Europe and the former Soviet Union, many people think American business has been lagging behind its European counterparts. Is this something you worry about?

A. The U.S. is the biggest investor in Hungary and probably second in Czechoslovakia and Poland. In the former republics, yes, we are behind, but I think we're going to catch up quickly. The president is encouraging business to focus on it. In addition, the new republics need to foster a friendlier climate for investment. Trade

agreements help, but they have got to do some things to stabilize the legal environment, the financial environment and out have laws that pop out of nowhere and change overnight. But even though there are risks and uncertainty, American business is willing to take some risks to get a foothold. We've got nowhere to go but up.

Q. You've said it is not the American way for government to tell business what it should be doing. Do you think the government needs new tools to advance the nation's economic interest abroad?

A. No. I don't think so. I'll tell you where I think American business stands today. We're a lot more competitive than some people give us credit for. We're better at some things, innovation and entrepreneurship, than anybody else in the world. Our newly restructured big companies are in a much better position to compete globally. It's just a question of more focus on it.

Q. What are you most worried about?

A. We're looking for ways to re-energize entrepreneurship. Americans are better at it than anyone else in the world, but nonetheless, business formations have gone down a little bit over the last few years. That is a disturbing trend if continued, because that is where most of our new jobs come from. Maybe it has happened because of the recession and the credit crunch, but we want to make sure something more fundamental isn't going on.

HERDBUOYS: Ads for a Changing South Africa

(Continued from first finance page)

aren't going to help them do it because they haven't a bloody clue as to how," he said. "This is a polarized society. All of us grew up in the townships, and our lives are still entwined with the townships. While we write in English, we can think in the black context."

Herdbuoys is committed to creating positive images for black consumers. "It's been the privilege of white advertisers to portray blacks as they see us," Mr. Vundla said. "Now we have the opportunity to portray blacks as we see ourselves and how we want to be seen."

One reason for the white bias is the dearth of blacks in advertising and marketing positions—about 5 percent of total personnel. Mr. Mashabela notes that firms typically have a "black market expert," essentially a one-person judge-and-jury to "approve" ads for the black market. "I cannot speak for 26 million people," he said.

Another barrier to communication is a lingering discomfort on the part of whites. According to Bryan Gabriel of the Media Business, a consulting firm in Braamfontein, black consumers account for nearly 70 percent of sales of fast-moving consumer goods, yet only 15 percent of total advertising expenditure for television and only 6 percent of the total for print was dedicated to black media.

"The attitude has been, 'I feel safer putting ad money into the white market,'" he said. "The media should be adapting. Much black media hasn't gotten off the ground as companies do little more than stick in a few ads to ease the conscience."

Being able to reach both is a claim no other agency can make, the creative director, Dennis Mashabela, believes. "Other agencies

heard it from a friend who heard it from a friend."

Some Polish marketing experts believe Wash 'n' Go also fell victim to the suspicions of a generation raised on propaganda.

Under the previous regime, television and newspapers purveyed propaganda. The phrase "television lies" was a slogan for the Solidarity movement.

Vidal Sassoon's Wash 'n' Go, which was heavily advertised on television, radio and newspapers, may well have been harmed by this inverse logic: the more something is advertised, the worse it must be.

Fears were also fed by President Lech Walesa, who said in speeches and interviews earlier this year that the West was dumping "brightly packaged junk" on Poland.

In a recent public-opinion survey, 37 percent of the respondents agreed with the statement, "Any product that is advertised is surely poor." On the other hand, 31 percent said repeated advertising must mean the product is of high quality.

Billions of dollars are at stake. From 1990 to 1991, Poland's imports, mostly from the West, rose by more than \$6 billion, to \$15.6 billion. Much of the increase in the last year was in consumer goods from Western Europe or European subsidiaries of American concerns like Heinz or Ford. In 18 months, Procter & Gamble's office here has

gone from one person — Mr. Delvaux — to 100 employees.

The companies vying for the Polish market are among the first to grasp that the official income statistics — which say the average worker earns \$130 a month — are vastly understated.

While millions of Poles live at or near the poverty level, perhaps 10 percent to 20 percent of the population of 38 million enjoys a considerably better standard of living, either through jobs in the underground economy or in the growing private sector.

Mr. Smilowski of Pentor acknowledged that no one had ever produced a definitive study of income in Poland. In his judgment, consumer sales are the best available yardstick.

"The first videocassettes appeared in 1985," he said. "Today, there are 4 million. The first satellite TVs were in 1989. Today there are over a million, and some say it's closer to 1.4 million. Color TVs? Only last year Poles bought 1.2 million sets. General Motors estimates that Poles bought \$1.5 billion worth of cars last year."

Dozens of Western companies have flocked to Pentor and other Polish agencies for advice. Marketing and advertising is a new field in Poland, and it has attracted worldwide industry leaders like Young & Rubicam, as well as a host of new locally owned competitors.

ADS: Courting Poland's Consumers

When we present Ting at point of sale, we give it first-class treatment.

While millions of Poles live at or near the poverty level, perhaps 10 percent to 20 percent of the population of 38 million enjoys a considerably better standard of living, either through jobs in the underground economy or in the growing private sector.

WE'VE LAID THE FOUNDATIONS TO BUILD INTERNATIONAL SUCCESS.



There's a powerful new force in global banking to help manage your international business interests.

Argentaria, Spain's new banking and financial corporation brings together the country's leading specialist banks into one single federal organization, to offer international clients strategic business advantages from its specialist range of banking and financial services.

Banco Exterior de España (BEX), the flagship of the group, is a leader in Foreign Exchange and Capital and Money markets.

With an international network operating in 28 countries across Europe, the Americas, the Far East and North Africa, BEX offers key strengths in identifying and developing international business initiatives.

We provide expertise in foreign trade both at a business and institutional level. Closer to home, we offer insight, advice and information concerning EC legislation and standards on developing international business.

Whilst we hold a pre-eminent position in the peseta market around the world.

(In addition to the normal channels of business available to you, our services are available 7 days a week, 365 days a year through Banco Directo, our telephone banking subsidiary.)

The result? We are providers of long and short term financing, insurance, stock broking services, asset management and project finance.

Our specialist subsidiaries include one of the largest savings banks in Spain; the largest mortgage bank in the country; a specialist bank in the agricultural sector, and we are the main provider of finance for local authorities.

The benefits to your business?

A wider range of specialist services covering all levels of international banking and finance, whatever your needs.

A more rational and efficient range of services offered through Argentaria's subsidiaries to meet your requirements.

And complete accessibility to Argentaria's specialist services wherever you are today, and wherever you want to be in the future.

COMPANY RESULTS

| Company | Year | Revenue | Profit | Per Share | Dividend |
|------------------------|------|---------|--------|-----------|----------|
| Asahi Chemical Ind. | 1991 | 1,317 | 1,207 | 25.00 | 65.00 |
| | 1990 | 1,287 | 1,227 | 24.15 | 64.84 |
| Nippon Express | 1991 | 1,257 | 1,227 | 24.15 | 64.84 |
| | 1990 | 1,287 | 1,227 | 24.15 | 64.84 |
| Pioneer Electronic | 1991 | 1,257 | 1,227 | 24.15 | 64.84 |
| | 1990 | 1,287 | 1,227 | 24.15 | 64.84 |
| Furukawa Electric | 1991 | 1,257 | 1,227 | 24.15 | 64.84 |
| | 1990 | 1,287 | 1,227 | 24.15 | 64.84 |
| Shiseido | 1991 | 1,257 | 1,227 | 24.15 | 64.84 |
| | 1990 | 1,287 | 1,227 | 24.15 | 64.84 |
| Sumitomo Electric Ind. | 1991 | 1,257 | 1,227 | 24.15 | 64.84 |
| | 1990 | 1,287 | 1,227 | 24.15 | 64.84 |
| Aisin | 1991 | 1,257 | 1,227 | 24.15 | 64.84 |
| | 1990 | 1,287 | 1,227 | 24.15 | 64.84 |
| Mitsubishi Heavy Ind. | 1991 | 1,257 | 1,227 | 24.15 | 64.84 |
| | 1990 | 1,287 | 1,227 | 24.15 | 64.84 |
| Electrolux | 1991 | 1,257 | 1,227 | 24.15 | 64.84 |
| | 1990 | 1,287 | 1,227 | 24.15 | 64.84 |

WINNER: Glory and a Tax Break

(Continued from page 1)

Martha's Vineyard a nonprofit organization and take all the expenses off my income tax," said the writer, Howard Young.

In addition to the \$10 million that Mr. Koch contributed directly, private foundations he controls have contributed \$40 million toward the \$68.5 million raised by the America Foundation, officials said.

Mr. Koch declined to quantify the tax benefits he derived from the contributions channeled through the private foundations, which are also tax-exempt.

Mr. Koch, 52, son of the late oil industry tycoon Fred Koch, lives in Palm Beach, Florida, and owns a variety of businesses. He is among the 400 richest people in America, according to Forbes magazine.

The story of his nautical shelter is a case study of the way the U.S. tax code often presents openings for wealthy citizens with sophisticated legal advice.

"Everything we've done has been by the book," Mr. Koch said.

But critics said the rules should be changed if they allow the America Foundation's tax exemption. And some tax experts questioned the way Mr. Koch has applied murky provisions of the code.

IRS officials said the law prohibits them from discussing tax issues as they relate to this case. The IRS granted the America Foundation charitable status in 1990 after the

foundation wrote that it would promote amateur athletes in international competition, something the tax code expressly favors.

In world-class sailing, as in other competitions, however, the line between amateurs and professionals is blurry. The IRS makes assessments on a case-by-case basis, taking compensation and other factors into account, said Marcus S. Owens, director of the IRS Exempt Organizations Division.

Sailors on Mr. Koch's yacht America were paid salaries that averaged \$30,000 to \$40,000, said David Rowan, executive vice president of the America Foundation. Housing and expenses were covered as well.

A tax lawyer and former IRS official said the sailors' pay could cause the IRS to question their amateurism.

The organization's charitable status "doesn't pass the smell test," he said.

But America officials said the pay crew members receive may be compensation for responsibilities other than sailing the boat. Now that the America's Cup is over, the foundation plans to support sailors in other amateur competitions, such as the Olympics, they said.

And the money Mr. Koch invested in research and development have yielded technological advances that eventually will benefit recreational sailors, experts said.



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Computer Market Hits Profits in Japan

TOKYO — A bevy of Japanese electronics and electrical goods companies said Tuesday that their profits tumbled in the financial year that ended March 31, most because of a flagging computer industry, and that the U.S. economy held the key to recovery this year.

Toshiba Corp., the diversified maker of electrical equipment, said pretax profit fell 55.6 percent, to 114.86 billion yen (\$807.7 million). The company was hit by a drop in profit in its computers and semiconductor units because of a contracting market that pushed prices lower.

Seiko Suffers in Slowdown

TOKYO — Seiko Corp. said Tuesday the worldwide economic slowdown and rising business costs pushed group current profit down 91 percent and parent profit down 26 percent in the latest year. The company, one of the world's largest makers of clocks and watches, said its group current, or pretax, profit fell to 547 million yen (4.27 million) in the year ended March 31. Seiko posted a group net loss of 2.27 billion yen.

Group revenue was flat, at 428 billion yen. Sales of watches, clocks and jewelry fell 3.4 percent, to 317 billion yen, while sales of other products, including eyeglasses, rose 11.4 percent, to 111 billion yen. Parent current profit totaled 3.60 billion yen, down from 4.89 billion yen a year earlier. Sales fell 2.3 percent, to 298.74 billion yen from 305.68 billion yen.

BNZ, Lifting Net, Stays Silent on Sale Rumors

WELLINGTON — Bank of New Zealand posted a large profit Tuesday for the latest financial year, marking a return to health 18 months after being bailed out by the government. But executives declined comment on whether the bank would soon have new owners.

Chairman Syd Pasley said that selling the bank was "a matter for the shareholders" and was "wholly speculative at this stage." Expectations of a sale announcement were high ahead of the results, with BNZ's share price having risen 22 percent in the past month, partly on expectations of improved profits but mostly on rumors that a sale to National Australia Bank was imminent.

The government, which holds a 58.2 percent stake in BNZ, has said it will sell its shareholding but will not say when. Asked if the result improved the chances of the government making a good sale, Mr. Pasley replied: "Hopefully."

The government, then under the Labor Party, first tried to sell the bank in 1987 but pulled it off the market because it said, bids were too low. It has twice had to inject capital to rescue the bank. Poor performing loans worth 2.83 billion dollars were also moved out of the BNZ into the subsidiary Adflo Investments.

World's Top Creditor Again... and Most Expensive City

TOKYO — Japan's net foreign asset holdings grew to \$383.1 billion in 1991, the Finance Ministry announced Tuesday, making the country the world's largest creditor.

TOKYO — Japan's capital is still the world's most expensive city for goods and services, though the gap narrowed in 1991, according to a survey by the Economic Planning Agency made public Tuesday.

Seiko Suffers in Slowdown

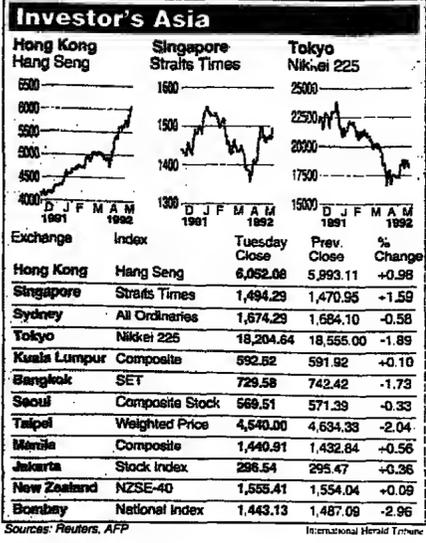
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Higher Credit Costs Feared Following Unrest in Thailand

BANGKOK — Thailand's political unrest may cost it millions of dollars in higher interest rates on new foreign loans and lead to delays in infrastructure projects, analysts said Tuesday.

The analyst said Thailand's credit ratings may be assessed for new lines of credit being raised abroad, including a \$100 million loan to finance expansion of the state-owned Thai Airways International Ltd.



International Natural Rubber Organization officials said rubber-consuming nations had agreed to start early talks with growers on a new pact, the current pact expires in December 1993.

Shanghai Acts to Cool Stock Prices

BEIJING — Shanghai, trying to cool its overheated stock exchange, has outlawed investment syndicates, which have been bidding up the price of shares.

Large table containing financial data, including 'ADVERTISMENT INTERNATIONAL FUNDS' and 'INTERNATIONAL FUNDS' with columns for fund names, dates, and values.

SPORTS BASEBALL

The Wildness Stops With Yanks on Top

By Jack Curry
New York Times Service

NEW YORK — It was an inning that did not want to end in a series that could not stop producing wild quincunxes between two teams that shook their heads in wonder at the wackiness prevailing for four straight days at Yankee Stadium.



Danay Tarrabull gesturing as his grand slam clears the wall in New York's 13-10 win over Milwaukee.

Through the Yankees and Milwaukee Brewers each snared two victories on a holiday weekend when comebacks, extra innings and amazing plays were normal, it was New York's nine-run eighth inning Monday that gave the series the finale it deserved.

The outburst, keyed by a grand slam home run by Danay Tarrabull, catapulted the Yankees to a 13-10 victory.

Somewhere, somehow, two teams have probably played four games like this, but neither Milwaukee's manager, Phil Garner, nor any of the Yankees could recall such a series. Monday's game was especially wild.

How often do the first 10 batters in an inning reach base?
How often does one full inning last 74 minutes?
How often do teams combine for 23 runs and 35 hits in a nine-inning game?

"The whole series was amazing," said Mike Gallego. "To give up leads and take back leads. It was a great series to watch and a great series to be a part of."

Both bullpens endured two extra-inning games and each doused five fires during the four-game series. The Brewers won, 10-9, in 14 innings Friday night. They won again, 5-4, in 10 innings Saturday. The Yankees rebounded from a 7-1 deficit to win in the ninth, 8-7, on Sunday.

And then there was the Memorial Day to remember.

Reliever Steve Farr, who could not protect a 4-3 lead, said, "It wasn't fun for me today, but it was fun for everybody else."

Both Steve Howe and Farn were ineffective in the top of the eighth, when the Brewers scored four runs and grabbed a 7-4 lead. Howe allowed three straight singles to load the bases and Farn allowed three walks, but surrendered one single.

It got so frustrating for Farn that he threw a pitch behind Greg Vaughn on a 3-0 count to walk him.

It was the last batter he faced. After starter Chris Bosio allowed two singles to open the eighth, Milwaukee countered with James Austin, and the avalanche accelerated. When it was over, the Yankees had sent 13 men to the plate against four pitchers, had scored nine runs, made eight hits and had consumed 39 minutes.

Roberto Kelly's two-run single gave the Yankees a 9-7 lead and Tarrabull put an exclamation point on the inning with his first grand slam as a Yankee and the eighth of his career.

Brushback Ignites a Padres' Slugger

The Associated Press

SAN DIEGO — Pittsburgh's Zane Smith gave up a three-run home run to Tony Gwynn and then knocked down Gary Sheffield with a high inside pitch. Whether by design or accident, that was a mistake.

Sheffield hammered Smith's next pitch, a changeup, into the second deck in left field to extend the longest hitting streak in the major leagues this season to 18 games as the Padres held off the Pirates on Monday night, 7-6.

Sheffield leads the National League with 37 RBIs.

The Business and the Game

Paul Gascoigne, Satellite TV: It's All Money

International Herald Tribune

LONDON — A funny thing happened on the way from a Roman forum to London's High Court this week.

While Paul Gascoigne, the errant showman of English soccer, was finally sold to Lazio of Rome, lawyers in London were wrangling on Tuesday over the ethicality of a £304 million (\$353 million) contract selling English league rights to satellite television.

At a stroke, England's new Premier League, devalued by losing its star, was rewarded in cash beyond its wildest dreams from entrepreneurs to whom soccer is the key to breaking viewers' resistance to paying for their TV sport.

There are many ironies here. A central figure is Alan Sugar, Sugar's electronics company, Amstrad PLC, makes satellite dishes, and a little of his fortune made him chairman of Tottenham Hotspur when the club faced bankruptcy last year.

He knows more about profit and loss accounts than most soccer directors will ever comprehend about their game. In Sugar's terms you sell before you buy, and rebuilding Spurs can only begin now the club has raised £1 million from Japan for Gary Lineker and, at long last, £5.5 million from Italy for Gascoigne.

Tottenham, shorn of its two attractions, is in the market for new players. The fans will pay either through drastically increased ticket prices next season or by buying a £200 dish and in the future paying a subscription to see their team on BSkyB.

Sugar did as much as any man to seal the five-year deal giving Sky exclusive rights to Premier League matches, while the BBC becomes a junior partner showing recorded highlights. Wearing his soccer chairman's hat, Sugar beard behind closed doors that the initial Sky-BBC bid fell short of a rival offer of £262 million from Britain's other network channel, ITV.

Sugar did not deny he telephoned Sky urging it to top the TV sum and "blow them out of the water."

No one, least of all the chairman of England's other 21 premier clubs, can claim they did not know Sugar's vested interest. The court rejected ITV's claim that Sugar's intervention constituted a breach of confidence and unfair practice.

England thus lines up with Italy and France where Silvio Berlusconi and Bernard Tapie pioneered the quality of TV and club ownership.

The money is irresistible. Soccer has a popularity that enlarges franchises other consumer products cannot reach. Up to now, Sky had as its most popular slot an American comedy, The Simpsons, with an audience of 920,000.

League soccer in England regularly attracts 7 million. By one calculation, if 300,000 soccer addicts buy a dish, BSkyB would, with advertising and subscriptions, recoup its £60 million annual outlay.

Before we dehumanize soccer into mere images flitting across the silver screen, we might remind ourselves that there is a game inside the business. A game involving individuals as gifted and as vulnerable as a Gascoigne.

His career had been on ice for a whole year since his own wild tackle backfired and threatened the ligaments and cartilage in his right knee. John Browne, a London surgeon, stitched and screwed the tissue into place, and also pieced together the shattered kneecap when Gasza became embroiled in a nightclub fracas last fall.

But Gascoigne saved himself with an obsessive determination. The threat to his career matured him from an irresponsible overgrown schoolboy into a 25-year-old man refusing to hear cynical opinions that he had self-destructed.

Chrysalis television persuaded Gascoigne two days after he entered hospital to trust them and has made a video entitled "Gazza: the road back." The documentary will be shown on ITV — yes, ITV — on June 7, the day England's weakened team leaves without him for the European championships.

There will, you may be sure, be another film depicting his first season in Italian soccer.

Making it in Italy is subject to astronomical rewards and equivalent pain. The transfer fees have spiraled again with Juventus's £12 million purchase of Sampdoria's Gianluca Vialli.

On a good day, Vialli scores goals rather better than his dreadful mis-hits during last week's European Champions Cup final. And goals make Marco van Basten a player beyond price at AC Milan.

Van Basten's slender ankles, kicked black and blue, will make museum pieces of damaged tissue. Ice packs keep him going, but last Sunday, when Milan romped to an 8-2 victory over Foggia, "Marco Golo" struck his personal target of two goals.

HE NEEDED those to become the first player since Luis Vinicio for Vicenza a quarter of a century ago to reach 25 goals in an Italian first division season.

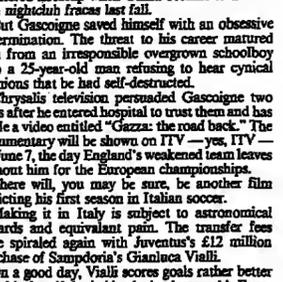
In doing so, van Basten eclipsed three great Italian scorers who each hit 24: Paolo Rossi (Vicenza 1977-78), Giorgio Chinaglia (Lazio 1973-74) and Roberto Boninsegna (Inter 1970-71).

The limbs permitting, Milan's Dutchman can now start chasing the ghosts of Italy's scoring gods.

There was Felice Borel, a Juventus center forward of the early 1930s who hit 29 goals in 28 games. Roma then imported an Argentine, Enrico Guaita, to score 28 times in 29 games during the 1934-35 season. Then Milan's Gunner Nordahl hit 35 goals in 37 games in 1949-50.

And Antonio Angellillo struck 33 goals in 33 games for Inter during 1958-59.

Without television, we cannot compare the goal gods of different eras. But to an Italian the great scorers are men you must see in the flesh. I hope, while the game sells itself to satellite technology, we never lose sight of that.



Rob Hughes is on the staff of the Sunday Times.

AMERICAN LEAGUE

Monteleone relieved and did what a member of a crack relief corps is supposed to do: He got a double play and a strikeout, and the inning was over.

But the infield single Monteleone allowed at the start of the eighth put Howe and Farn in position to show some of their worst work of the season.

"A couple of things I did I got upset with myself," said Howe, who made his third successive ineffective outing after having made none in his first 13 games. "Things I didn't do. Not my snuff. This part."

He pointed to his head, meaning he didn't think intelligently during his three-batter, two-hit outing.

Farr faced five batters; four reached base, three on walks, on a two-run single. He had not allowed so many baserunners in any of his previous 13 games and had averaged only one runner per appearance.

Lee Guetterman, the Yankees' last pitcher, threatened out to convert a six-run lead into a victory. He has been the team's most ineffective reliever this season, and his presence in the game at that time did not speak well for the entire staff.

Those Persistent Pitching Problems

New York Times Service

Critical to the Yankees' presence in the American League East race will be their pitching staff, which has been shaky for several years.

One improvement this year is that the starters are lasting longer in games, not overworking the bullpen as happened last year. After 43 games last year, relievers had made 104 appearances, whereas this year they have been summoned 83 times.

Sull, Scott Sanderson, Melido Perez, Tim Lincecum, Greg Cadaret and Scott Kamieniec are not expected to win a division championship, no matter how many innings they pitch into games, no matter how effective Steve Farn, Steve Howe, John Habyan and Rich Monteleone are in relief.

The fragility of the staff was glaringly on display Monday in the fiasco with the Brewers.

Kamieniec pitched a strong five innings, then struggled through the sixth, in which the Brewers scored three runs and sliced the Yankees' lead to 4-3.

When the first two batters in the seventh singled,

gave the Yankees a 9-7 lead and Tarrabull put an exclamation point on the inning with his first grand slam as a Yankee and the eighth of his career.

In other games, The Associated Press reported:

Indians 10, Athletics 6: In Oakland, California, Albert Belle hit two home runs on pitches well outside the strike zone, driving in four runs and scoring three to lead Cleveland.

It was the third straight game in which Belle had homered, and the drives were his third and fourth homers in a span of 10 at-bats.

Mariners 7, Orioles 3: Dave Fleming won his sixth straight decision and Pete O'Brien hit his 11th home run and drove in three runs as Seattle won at the Kingdome.

BOOKS

WATERGATE IN AMERICAN MEMORY: How We Remember, Forget And Reconstruct the Past

By Michael Schudson. 304 pages. \$24. Basic Books, 10 East 53rd Street, New York, New York 10022.

Reviewed by Michael Kazin

WAS Watergate the greatest scandal in presidential history? Or the logical result of decades of White House secrecy and an obsession with "national security"? Or a conspiracy by liberal journalists to drive the hero of Middle America from office? Or a constitutional crisis that demonstrated that "the system" works?

The truth, argues Michael Schudson, is all of the above. The two years of events that climaxed with the resignation of President Richard Nixon are significant because we remember them in divergent ways and use those memories to craft the future. His book is a series of acute reflections on what Watergate has meant to us during the two decades since the night of June 17, 1972, when a security guard named Frank Williams telephoned the Washington police to report an illegal

entry at the luxurious beehive of apartments and offices that squats along the Potomac. Echoing current philosophical wisdom, Schudson maintains that the past is largely something we collectively construct. The facts of break-in, cover-up, revelation and resignation are perpetually bound up within a legacy of contention.

That may sound like the premise for an extended academic workout, but Schudson, the author of previous books on the press and advertising, takes a passionate interest in the controversies he describes. He becomes enraged at how a public display at the Nixon Library in Yorba Linda, California, edits the notorious tapes and distorts the way the cover-up occurred. He enjoys debunking naive and self-serving myths — like the belief (held by many college students) that two young Washington Post reporters, almost single-handedly, brought down an entire administration.

And he reminds us of the many ways Watergate has colored contemporary politics. Among the more salient: campaign-finance reform, special prosecutors, the revival of muckraking, the rise of journalists as celebrities, a deep cyni-

cism about presidents and a vocabulary laden with such terms as "smoking gun," "stonewalling" and "cover-up." The continuing debate over whether Nixon has shed his criminal image ("rehabilitated" himself, to use the reigning cliché) only indicates how tenacious is the public memory of how he acquired it.

Schudson brings to these matters a fine sense of irony about the strange paths memory can take. A witty chronicle of G. Gordon Liddy's successful career as an icon of mock notoriety (whose license plate reads "H2OGATE") segues into a scathing takedown of Jeb Magruder's position atop a big city's Commission on Values and Ethics and the widely reported news, in 1975, that John Ericichman had grown a beard. "For the media," Schudson writes, "Ericichman fit the portrait of the right wing loosening up, just as sixties anti-war activists who turned to business or religion in the 1970s were for the media irresistible emblems of the Left turning conventional."

For all its virtues of perspective and anecdote, however, Schudson's book does not convince that Watergate has had either great or lasting impact. Part

of the problem is his reluctance to state firm conclusions about anything other than the nature of historical inquiry itself. Surely, one can dissect conflicting narratives without assuming an agnostic stance. Schudson seems to care more about how social memory works in the abstract than about what difference the whole quarrelsome thicket of scheming and exposure has made in our national life.

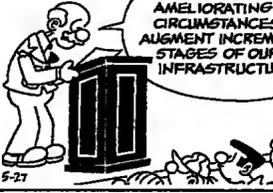
His preference is, in part, a function of how the events of Watergate were experienced as they occurred. The Vietnam War, the black freedom movement and the feminist upsurge are features of "the sixties" whose hopes and agonies continue to shape the present. But Americans perceived Watergate almost exclusively as news. The Ervin Committee, the impeachment proceedings, Nixon's resignation and Ford's pardon were wrenching, emotional matters for only a select, if unlucky, few. Schudson writes, "For most Americans Watergate was action at a distance."

Michael Kazin, who teaches history at American University, wrote this for The Washington Post.

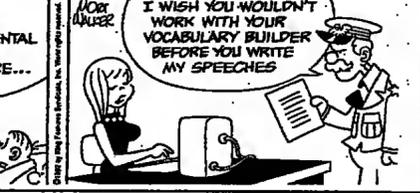
PEANUTS



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WIZARD OF ID



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BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks that do not set minimum requirements.

| Rank | Title | Author |
|------|--------------------------------------|-----------------------|
| 1 | JEWELS | Dan Quay-Hogan |
| 2 | THE WALKING DEAD | Robert Kirkman |
| 3 | THE PELLICAN BRIEF | John Grisham |
| 4 | IT IS FOR NOBODODY | Ken Kesey |
| 5 | OH, THE THINGS YOU'LL GO TO | John DeLoe |
| 6 | JAZZ | Ty Debono |
| 7 | SABAROT | Chris Ware |
| 8 | SCARLETT | Michael Chabon |
| 9 | FRENCH SLK | Sandra Brown |
| 10 | FOR LOVE ALONE | Joan Freeman |
| 11 | THE RISING SUN | Michael Crichton |
| 12 | THE LIVING | Andre Dubaut |
| 13 | DISNEY'S BEAUTY AND THE BEAST | Robert Munsch |
| 14 | WRESTLING WITH AN ANGEL | Howard Stern |
| 15 | THE ROAD TO OSAMA | Robert Munsch |
| 16 | THE ROYAL SLK | Sandra Brown |
| 17 | REVOLUTION FROM WITHIN | Debra Datta |
| 18 | GIVE WAR A CHANCE | P.J. O'Rourke |
| 19 | ROGUE WARRIOR | Richard Marshall |
| 20 | TWO NATIONS | Andrew Ross |
| 21 | BACKLASH | Susan Faludi |
| 22 | THE WAY I SEE IT | Paris O'Brien |
| 23 | READ TO READ | Leslie Thomas |
| 24 | MY STORIES OF MY LIFE | Katharine Hepburn |
| 25 | ELEANOR ROOSEVELT | James MacGibbon |
| 26 | THE PEOPLE OF WILLOW CREEK | Debra Datta |
| 27 | MIRACLE MAN | Nolan Ryan |
| 28 | HIGH TREASON 2 | Harrison Edwards |
| 29 | MOLLY IVINS CAN'T SAY THAT, CAN SHE? | Molly Ivins |
| 30 | THE DISUNITING OF AMERICA | Arthur M. Schlesinger |
| 31 | DEN OF THIEVES | James B. Stewart |
| 32 | ADVICE, HOW-TO & MISCELLANEOUS | |
| 33 | THE JUICEMAN'S POWER OF JUICING | Ian Marder |
| 34 | RETURN TO LOVE | Mansona Williams |
| 35 | MORE WEALTH WITH LESS RISK | Charles J. Givens |
| 36 | HOW TO SATISFY A WOMAN EVERY TIME | Nancy Hart |
| 37 | BORN FOR LOVE | Leo F. Buscaglia |

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SPORTS

FRENCH OPEN

'My Time Has Passed,' Says McEnroe in Defeat



By Ian Thomason

PARIS — He said goodbye with a running, hanging leap, the left arm outstretched as his body, his legs spread apart like a spray...

McEnroe at the net without hesitation. By early in the second set, when McEnroe had been broken four times, the crowd, which at every crucial juncture tried to awaken McEnroe's past with rhythmic applause...

Most of his talk was private, scrambled unintelligibly to the surrounding and inspecting him. He yelled like Fred Flintstone and swore like a bum.

As for Kulti, he could have walked past the audience in street clothes a half-hour after the match, and who would have recognized him? He was but the necessary opponent, praised momentarily for his myriad of wonderful shots on this day, but then forgotten just as quickly...

'I felt the pressure was on me,' McEnroe said. 'I could have had an easier draw than Kulti, but I felt like this still was a match I should have won.'

It was to McEnroe's credit that he was able, for a while, to survive the services and baseline plays of Nicklas Kulti, a Swede a dozen years younger and 4 inches taller than he.

Instead, Kulti held, then broke McEnroe at 30-40 for the set. McEnroe threw his racket toward the net, earning a warning from the umpire, with whom McEnroe shared a typically uncomfortable relationship.

As He Starts Over, Color Agassi Relaxed

By Nick Stout

PARIS — The dominant color on his first day out was turquoise (under denim shorts), but Andre Agassi promised to sport at least one more slice of the rainbow this week or next — and he even vowed to put on his trademark whites when he plays doubles later on with John McEnroe.

His coach, Nick Bolletieri, was quoted as having said earlier this year: 'If you make Andre proud the practice court, he's not going to win the French Open. He's going to quit the game.'

Agassi, starting over again in his quest for a French championship — a title that he came so close to winning last year and the year before — returned a 6-1, 6-4, 6-4 triumph Tuesday over Javier Frana, a 25-year-old Argentine whose only authority to date has come in doubles.

'Surprisingly enough, I felt so relaxed being here,' said Agassi, who has been trying for some time to figure out why his ranking has dropped to No. 12. Agassi said he had expected to 'feel a lot of pressure, feel a lot of tension, you know, work through a lot of

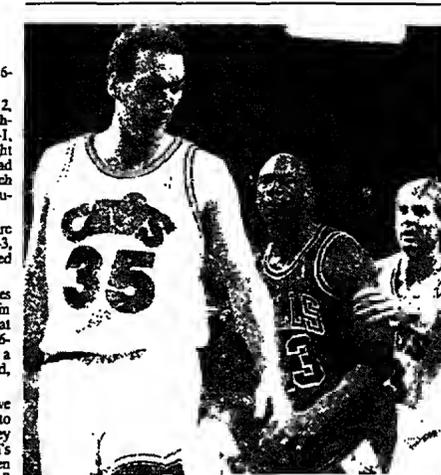
Agassi's only irritation was Frana's left-handed forehand, which occasionally was good for some pretty winners down the line. Otherwise it was his match from start to finish, and Frana — who had never played singles at Roland Garros Stadium — was reduced to scolding himself repeatedly in rapid Spanish, Ricky Ricardo style.

beat Sergi Bruguera on Tuesday, 6-4, 6-2, 6-1. Stefan Edberg, seeded No. 2, eliminated a 25-year-old Frenchman named Olivier Souhls, 7-5, 6-1, 6-7 (5-7), 7-5. The contest might have ended sooner if Edberg had not squandered a couple of match points at 5-3 in the third and double-faulted on another at 5-4.

Pete Sampras finished off Marc Rosset, 7-6 (7-5), 4-6, 6-4, 3-6, 6-3, in a match that was suspended Monday evening.

For the record, Monica Seles swept her first opponent aside in three quarters of an hour. She beat Catherine Moiré of France, 6-1, 6-0, and then commented: 'It was a good, comfortable first round, which I wanted to be.'

Odds makers, meanwhile, have rated Courier as a strong favorite to reclaim the championship. They are not, however, keen on Lendl's winning for a fourth time. When told he was rated 20-to-1, Lendl shot back: 'Find the guy who gives me 20-to-1 and I'll go bet myself.'



Craig Ehlo of Cleveland holding Michael Jordan away from Danny Ferry after their shooting incident in the Cavs' 99-85 victory.

Cavs Cross Jordan And Still Square Series With Bulls

By Clifton Brown

RICHFIELD, Ohio — The Cleveland Cavaliers would have had plenty of excuses if they lost. Mark Price, their All-Star point guard, played with a stomach virus during the fourth game of the Cavs' playoff series against Chicago.

dunk by Daugherty after a missed jumper by Scottie Pippen. That made it 90-80, and the Bulls were done. 'A very disappointing loss for the Chicago Bulls,' said the coach, Phil Jackson. 'We couldn't carry the momentum from Game 3 into Game 4. I wasn't pleased with our execution and we didn't play a consistent game. It was a great effort by Cleveland. It looks like this one's going to go the length.'

But the Cavaliers wanted victory, not excuses. Carried by a defense so intense it nearly led to a fight between Danny Ferry and the Bulls' Michael Jordan, Cleveland scrambled for an emotional 99-85 victory on Sunday. That tied the four-of-seven-game Eastern Conference championship series at 2-2.

Pippen had only 13 points and was scoreless in the second half, when the Bulls desperately needed him. Meanwhile, Jordan sweated for every one of his 35 points, and only two of his teammates reached double figures.

Stop Lemieux? No, but Blackhawks Will Be Trying to Slow Him Down

By Dave Sell

PITTSBURGH — One year ago, the Pittsburgh Penguins won their first Stanley Cup title in their 25-year history and receded in its splendor. Now, with contractual animosity and tough times behind them, they are beginning the last phase in the quest for greater glory.

night when the Penguins defended their crown against the Chicago Blackhawks, who haven't won a Stanley Cup since the 1960-61 season.

'We've had a very trying year,' General Manager Craig Patrick said. 'We lost a best friend and it's been very difficult.' The late Bob Johnson coached the Penguins to that first Cup and his words — 'It's a great day for hockey' — were to echo throughout Civic Arena on Tuesday

Chicago coach Mike Keenan said at the rink.

group, but they have shown a willingness to walk away when presented with a chance to retaliate after the whistle. It has kept them out of the penalty box, for the most part.

The Blackhawks offense is led by center Jeremy Roenick, one of four 50-goal scorers in the league. The problem is that there are four Penguins ahead of him — Lemieux, Ron Francis, Kevin Stevens and Jaromir Jagr. Even if the Blackhawks find a way to control Lemieux, the others can hurt them.

It is easy to say that you will shadow Lemieux or try to play him physical. With shadows, Mario Lemieux explained he will sometimes stay out high to give other play-

ers room, thereby disrupting a team-defense concept, use himself and his shadow as a pick for a teammate or to screen the goalie. As for the contact, 'In the finals, you have to be willing to take that.' But Lemieux is hard to hit. He doesn't dig in the corners much, he sees and avoids checkers well and moves the puck when people are after him. There are also players like Rick Tocchet to extract some revenge on people like Roenick if Lemieux is hit.

'There are different strategies to help you control him,' Keenan said. 'You're not going to completely shut down a player of that magnitude, but you can cut down on his options.'

SCOREBOARD

BASEBALL

Major League Standings

Table showing Major League Standings for the American League and National League, including divisions and team records.

Major League Leaders

Table showing Major League Leaders in various categories like Home Runs, RBIs, etc., for the American and National Leagues.

French Open

Table showing French Open results, including First Round, Women's singles, and Men's singles.

Japanese Baseball

Table showing Japanese Baseball results, including Central League and Nippon Ham.

Cycling

Table showing Cycling results, including Giro d'Italia and World Cup Qualifier.

NBA Playoffs

Table showing NBA Playoffs Eastern Conference Finals and Western Conference Finals.

OUT OF THE COUNTRY?

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OBSERVER

Government by Sitcom

By Russell Baker
NEW YORK — Like Richard Nixon in his prime, Dan Quayle has the power to make his opponents charge blindly off the highest cliff in the territory.

Take the curious uproar created by his speech in California the other day. How explain it except as another instance of Quayle's power to fan the suicidal impulse in those who don't take to him?

Here was a speech containing ample material to alarm all civilization, most especially in its disclosure that we are now being governed by people who watch TV sitcoms. I would have expected sobs of despair from all sensible people on this score alone.

Can the people we've hired to provide us with international leadership, effective societal management and a national philosophy for the coming century — can these people truly spread the stank of the evening watching sitcoms on the tube?

Quayle's speech suggests they do. And not just watch them. They obviously get ideas from them. From watching a sitcom about a character named Murphy Brown, the vice president of the United States has apparently evolved a theory of how to hold together the country's frayed social fabric.

It's as though Madison and Hamilton had evolved theories for a constitution from reading comic books. As though Lincoln's ideas for directing the Union conduct of the Civil War had evolved from watching John Wayne war movies. I seem to be the only person in the land, however, who was appalled by Quayle's suggestion that the sitcom is in the Washington saddle. Everybody else who is upset about the speech has focused on Quayle's broad endorsement of love, marriage and family. Here is a puzzle.

How many here against love, marriage and family? Not an overwhelming crowd, I'll bet. Not enough to win the presidency, which is what Quayle is staking for. Yet press and television have had no problem finding witnesses so furious about Quayle's endorsement that they talk as if the country were seething with powerful anti-family sentiment.

What's going on here? The answer, I think, is that Dan Quayle,

like Nixon and the Shadow, has the power to cloud men's minds. The Shadow did it with hypnosis and Orson Welles's voice. Nixon did it by acting as though he were the exclusive custodian of patriotism. Quayle does it, I suspect, by means that even he doesn't understand. He represents a change in American life that angers persons rooted in the past. He symbolizes the new age of media politics.

This is a politics in which success flows to people with entertainment talents or skills, often regardless of whether they have any ideas for governing, any sense of the future or, in the most blatant cases, whether they have any brains to speak of.

As media politics puts the country more and more in the care of people with star quality, people rooted in a dying world where ideology mattered more than teeth now tend to be repelled.

George Bush seems to have picked Quayle for vice president because he was a blank slate, a piece of unused material amenable to shaping by the image-building industry so vital in media politics. The jokes about his emptiness express a cynical acceptance of the new age as well as a somewhat bitter resignation among people who hate the age of media politics.

Hated makes for irrational responses, and what could be more irrational than Democrats and liberals sounding as though they're against love, marriage and family since Quayle is for it? The time to oppose the person you despise is when he's wrong, not when he's right.

To be sure, the Quayle speech is another fairly obvious attempt by Republicans to play the old race card. They have played it shamelessly and triumphantly since Nixon's time, and they were bound to play it again this year, for it's catnip to aggrieved white working people whose passion is slight for more high-minded Republican themes. Like cutting the capital gains tax. It's a rare politician who finds stooping chin-to-gutter so contemptible that he won't do it in a close election. It's also an extremely dumb politician who lets himself be so ruled by the foe that he comes out against love, marriage and family.

New York Times Service

In Germany, Artists Who Never Were

By Stephen Kinzer
New York Times Service

BERLIN — The paintings and drawings of Jochen Seidel, an artist from Eastern Germany whose tormented life ended in suicide in a New York loft in 1971, are now on display at a major retrospective that is touring his homeland.

In Berlin, the retrospective opened in a respected city-supported gallery, according to Seidel, a measure of the recognition that escaped him almost completely in his lifetime. It is at the Stadtmuseum in Halle, where Seidel once lived, and will be on view in Cologne in mid-September.

"After schlepping the stuff around for 20 years, naturally I think this exhibition is wonderful," said Mel Roman, a psychologist and artist whose New York studio adjoined Seidel's and who helped rescue his works for posterity. "There's a growing interest in Seidel in Germany now. It's not like those depressing days when people were telling my wife and me to take a few pictures as mementos and junk the rest of them."

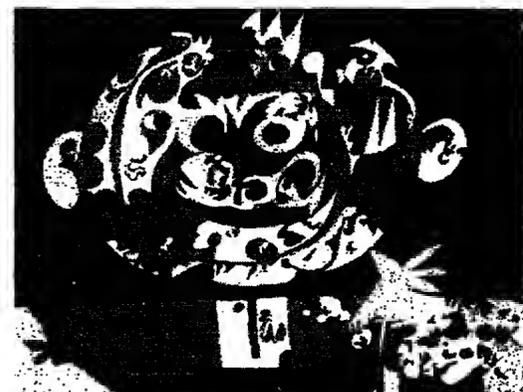
Seidel is one of several painters from the former East Germany whose work is reaching a general audience here for the first time. No one has made the case that these artists are overlooked masters or that the recent promotion of their pictures will require the rewriting of art history. But their stories reflect the kinds of obstacles that faced East German artists, and the varying ways they coped or failed to cope.

One artist who died in relative obscurity in East Germany was Hermann Glöckner, who was born near Dresden in 1899 and died there in 1987. Glöckner produced a large collection of paintings, drawings, sculptures and collages, but because his abstract and cubist styles were not favored in East Germany, he had only limited chance to exhibit his work.

Since reunification in 1990, collectors in the western part of the country have become interested in Glöckner's work. A museum in Ulm mounted a one-man show in his honor last year, and several of his paintings have become part of the prestigious Deutsche Bank collection.

A commentary prepared by a Deutsche Bank curator says Glöckner's work shows that "serious art can be produced in isolation, whereas that isolation is voluntary or forced."

Among painters from Eastern Germany who have lived to see their work discovered by Western collectors is Hans Winkler, who was born in Cologne in 1919. During most of his adult life, Winkler worked as a music teacher while practicing his art. He made many of his own prints by squeezing colors out of vegetables and berries, and habitually painted on both



A detail from "The Fool," on display in the Jochen Seidel retrospective.

sides of whatever paper he could find. Winkler has recently found a gallery in Western Germany through which he is selling his work. One of his paintings, a pointillist work that incorporates the slogan "Wir Sind das Volk" — "We are the people" — was bought by President Richard von Weizsäcker. "Wir Sind das Volk" was the slogan that East German protesters chanted during the mass demonstra-

retrospective. There are also a couple of sensitive but accessible landscapes from this period, suggesting that Seidel could have pursued a conventional artistic career if he had chosen to do so.

No one has made the case that they are overlooked masters, but their stories reflect the kinds of obstacles that existed under the Communist regime.

tions in 1989 that led to the collapse of the country's Communist government. Of all these long-obscure artists, none lived a more troubled life than Jochen Seidel. He was born in the eastern town of Bitterfeld in 1924, and after serving in the German Army during World War II returned to the area, settling in Halle.

In the early 1950s, Seidel made his living by painting berets in the style of Socialist Realism. He also churned out quick portraits of Communist heroes to be hung in government and party offices.

Just one of these pictures, an unexpected portrait of Ernst Thälmann, a Communist martyr, is included in the current

Springer. His style changed radically, becoming abstract and colorful. In the decade that followed, his work was exhibited in many European cities, as well as in the United States and South America.

Partly in an effort to make contact with the larger art world, Seidel moved to New York in 1964, where he rented a top-floor studio in Greenwich Village and began teaching at Fairleigh Dickinson University and Pratt Institute.

He lived the last and most productive years of his life there, but his painting, rooted in European Expressionism and Surrealism, never struck a popular spark. It was overwhelmed by Pop Art and other

cooler, cleaner movements in which he steadfastly refused to take part. "He had dared to take the leap to New York when the New York art scene still questioned the very possibility of German artists," says a commentary in the catalogue of the retrospective. "A sensitive artist like Jochen Seidel who wanted to continue in the European tradition had few prospects for success in New York."

The unwillingness of any major gallery owner in New York to represent Seidel had much to do with his deep personality problems. He never escaped the effects of a turbulent childhood marked by the murder or suicide of his father, and his estrangement from two wives and three children pushed him further into depression.

Seidel hanged himself in his studio on May 30, 1971. At the time of his death, Seidel owed New York City several thousand dollars for unpaid taxes, and the contents of his loft were auctioned. The artworks which had been sold to assembled scrap dealers had not his left neighbors, Roman and his wife, asked them not to bid, as a courtesy to the artist's memory.

The dealers agreed, and for a bid of \$365 the Romans bought seven years of Jochen Seidel's work: more than 200 paintings and more than 1,200 drawings. Since then, Roman and a small group of other friends of the artist have been working slowly to catalogue the collection. They have placed paintings in various museum collections in the United States and Europe.

"We had never heard of Jochen Seidel," wrote a reviewer in the Berlin magazine Tip after the retrospective opened. "In his paintings, you feel nothing of the depressions that followed his failure to build a little existence as a painter. These pictures testify to the difficulty of living between eras, painting against the trends, always seeking the ideal picture that reconciles form and color."

Springer, the gallery owner and art paragon who brought Seidel out of East Germany nearly four decades ago, said of Seidel: "This man was my friend, so I can say that he had many, many people who loved him personally, but none were also artists. He was very talented, very hard-working and very intuitive. But he was a man who never found his form."

PEOPLE

German Gets Top Marks In Test of Sommeliers

A German has won the title of best sommelier of Europe, defeating 17 other wine stewards in the final competition, which included blind tastings and correcting errors in a wine menu. Bernd Kruse, 29, a sommelier for the Weindolde restaurant in Stuttgart, fared best in the finals at the Rumanat Champagne house in Reims, France, which culminated two days of tests. A Frenchman, Jean-Claude Ruet, 27, placed second. The finalists were called on to identify wines and spirits, ranging from a 1985 Nuits-Saint-Georges premier cru to a Greek esau-vie, in blind taste tests.

The mayor of Paris, Jacques Chirac, Tuesday awarded the Vermeil Medal of the City of Paris to Katherine Graham, the chairman of the board of The Washington Post Company, and Arthur Ochs Sulzberger, the chairman and chief executive officer of The New York Times Company. They are also co-chairmen of the International Herald Tribune, and the award honored 25 years of joint ownership by The New York Times and The Washington Post of the Paris-based paper.

The 20-year-old daughter of Prime Minister John Major of Britain fell from a horse during a charity race in Huntingdon, England. The prime minister and his wife, Norma, were watching from the stands when their daughter Elizabeth fell just after crossing the winning post. A course spokesman said the 15-year-old "shaken" but not seriously hurt. The race was run for the benefit of the mentally handicapped.

Mick Jagger was just another video camera-toting parent when daughter Kristin Hunt Jagger graduated from Yale University. The lead singer for the Rolling Stones shooed away journalists who followed him to the college where his daughter received her diploma. "Thank you, thank you, thank you, good-bye, good-bye, good-bye," said Jagger, accompanied by his wife, Jerry Hall. Kristin is his daughter by the singer and actress Marsha Mason. Other famous parents attending the commencement exercises: Mia Farrow, whose son Matthew Previn was graduating, and Governor Mario M. Cuomo of New York, who came to see son Christopher get his diploma.

TODAY'S BUSINESS MESSAGE CENTER
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